THE MATERIAL-HANDLING **REFERENCE**

2012 Annual report

MANITOU GROUP

MANITOU GROUP

THE MATERIAL-HANDLING REFERENCE

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HISTORY

1958

Creation of the first Manitou rough-terrain forklift-truck based on an idea by Marcel Braud.

1970

The Group begins to expand internationally.

1972

Commercial agreement signed with Toyota for the exclusive distribution of the Japanese company's industrial forklifts in France.

1981

Launch of first Manitou telescopic forklift-trucks.

1984

Stock market listing.

1993

Launch of first MRT rotating truck-mounted forklift-truck.

1995

Launch of aerial work-platforms.

1996

ISO 9001 certification obtained.

1998

Marcel Braud appointed Chairman of the Supervisory Board.

2004

Manitou sells its 200,000th forklift-truck world-wide.

2006

Manitou passes the €1 billion sales mark.

2007

Manitou opens an international logistics center and obtains ISO 14001 certification for its Ancenis site.

2008

Takeover of the American company Gehl.

2009

Appointment of Jean-Christophe Giroux as Chairman of the Executive Committee.

Change of governance and return to a Board of Directors.

2010

Launch of Gehl and Mustang articulated loaders.

2011

Review of family shareholder structure.

2012

Crossover agreement with Yanmar for the manufacture and distribution of mini-excavators.
End of the French distribution agreement for Toyota forklift-trucks.

GROUP PROFILE

THE MATERIAL-HANDLING **REFERENCE**

Founded by the Braud family 60 years ago, the Manitou Group now has a worldwide presence. Its leadership in material-handling (industrial or all-terrain forklift-trucks, personnel aerial access platforms, compact loaders, warehousing equipment, etc) is built around the following organizational structure:

3 PRODUCT DIVISIONS

Rough Terrain Handling (RTH), Industrial Material Handling (IMH) and Compact Equipment (CE).

4 SALES REGIONS

Southern Europe, Northern Europe, the Americas and the rest of the world.

3 MARKETS

Construction, Agriculture, Industries.

2 INTERNATIONAL LOGISTICAL CENTERS

of spare parts.

5 BRANDS

Manitou, Gehl, Mustang, Edge and Loc.

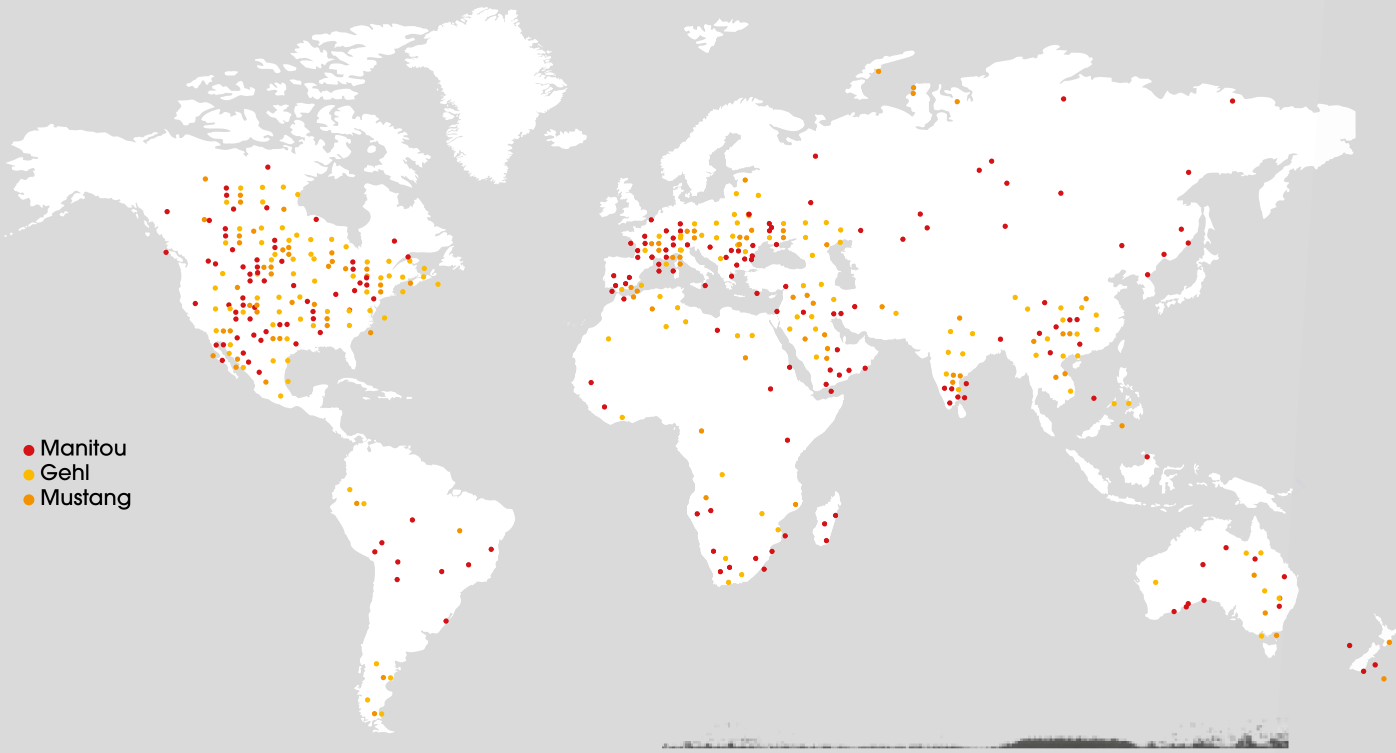
3 TRADES

Designer, Assembler, Distributor.

2012 REVENUE

€1.265 bn

71% OF SALES ARE MADE INTERNATIONALLY



20
subsidiaries in the world

8
production sites

3 219
employees in the world

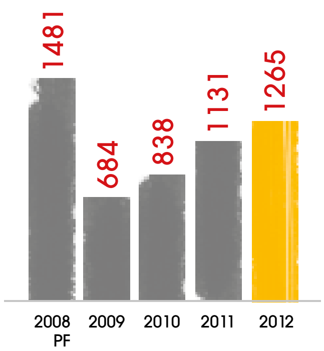
Manitou is present in 120 countries

With a network of nearly 1,400 dealers, the Manitou Group distributes its products worldwide under the Manitou, Gehl, Mustang, Edge and Loc brands.

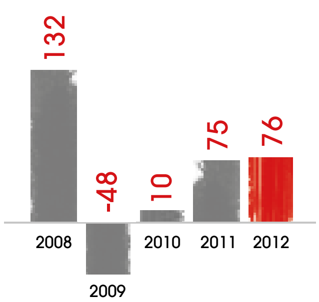
KEY FIGURES

2012: THE YEAR **OF THE REFOUNDATION**

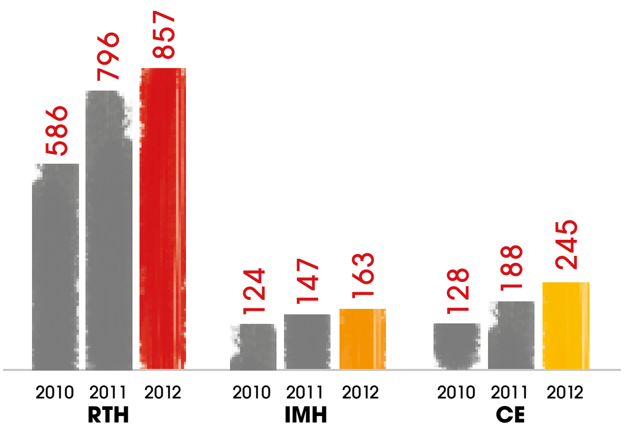
Revenue (proforma with Gehl - in €M)



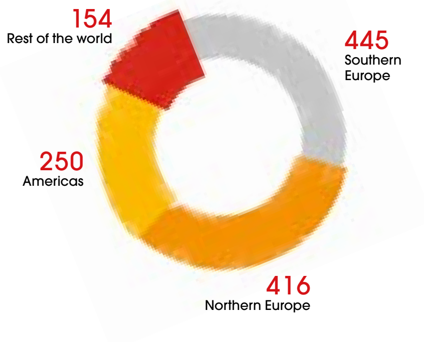
EBITDA (in €M)



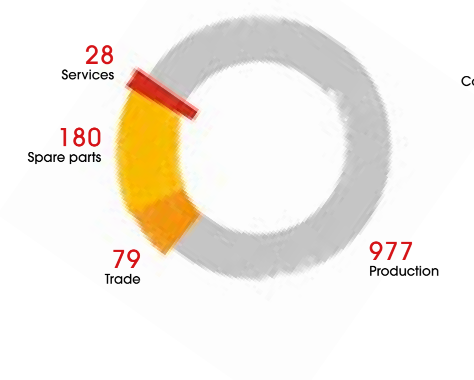
Revenue by division (in €M)



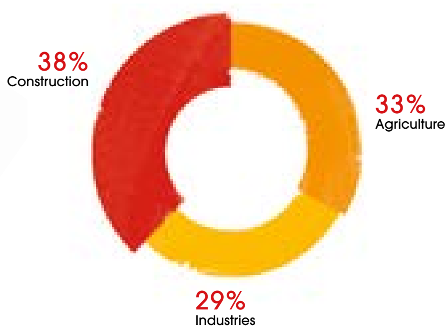
Revenue by geographic region (in €M)



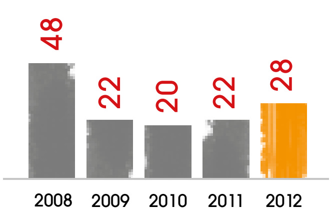
Revenue by nature (in €M)



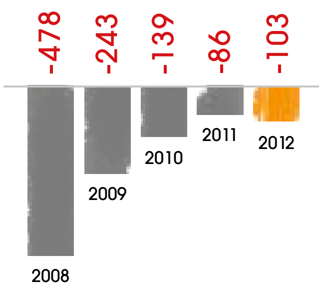
Revenue by market segment



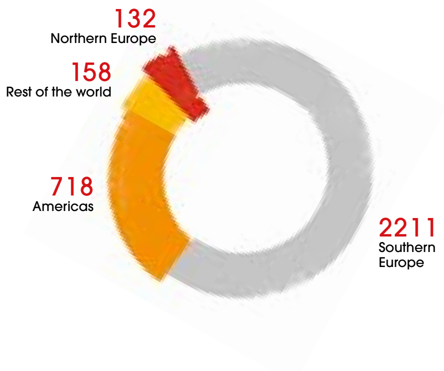
Investments (in €M)



Net (Debt) cash position (in €M)



Workforce by geographical region (in number of people)



THE BOARD OF DIRECTORS

1 Serge Ghysdael
2 Sébastien Braud
3 Marcel Braud, Chairman
4 Joël Goulet*
5 Jacqueline Himsworth, Vice-Chairwoman
6 Christopher Himsworth
7 Pierre-Henri Ricaud*
8 Dominique Bamas*
9 Gordon Himsworth

* Independent members in accordance with MiddleNext recommendations.

The company is elected by its customers every day. *François Michelin*

Chairman's message

A quieter year to end the necessary restructuring and transformation of our organizations, 2012 saw a number of projects implemented with the Board's support and encouragement.
To generate fresh growth and pursue the group's ambitions while restoring our stakeholders' confidence, we endeavoured to:

- draw up budgets as part of a 3-year business plan; this allowed us to make detailed projections, refocusing the group's priorities;
- continue expanding the group internationally; 2012 saw the creation of two new entities, in Latvia and Dubai, establishing sales outlets in some of the world's most robust areas;
- to keep in close contact with teams and structures, the Board of Directors tries to hold its meetings at the group's different subsidiaries or production sites. We went to the United States and Italy in 2010; this year we went to the IMH Division site in Beaupréau and the AWPs-production site in Candé.

We continue to pay attention to market feedback, our customers' concerns and our teams' cohesion. The group is closing one chapter in its history to begin a new calmer, more balanced period, which will involve consolidating gains and maintaining closer relations with our networks and clients.

Marcel Braud
Chairman of the Board of Directors

GOVERNANCE

THE EXECUTIVE COMMITTEE

1 Jean-Christophe Giroux, President and CEO
2 Henri Brisse, VP Sales & Marketing
3 Eric Lambert, President of the RTH (Rough Terrain Handling) Division
4 Jérôme Tertrais, Human Resources Director
5 Daniel L. Miller, President of the CE (Compact Equipment) Division
6 Fabrice Beslin, President of the IMH (Industrial Material Handling) Division
7 Hervé Saulais, General Secretary
8 Hervé Rochet, Financial Director

It is time to be optimistic. Let us keep pessimism for better days. *Anonymous*

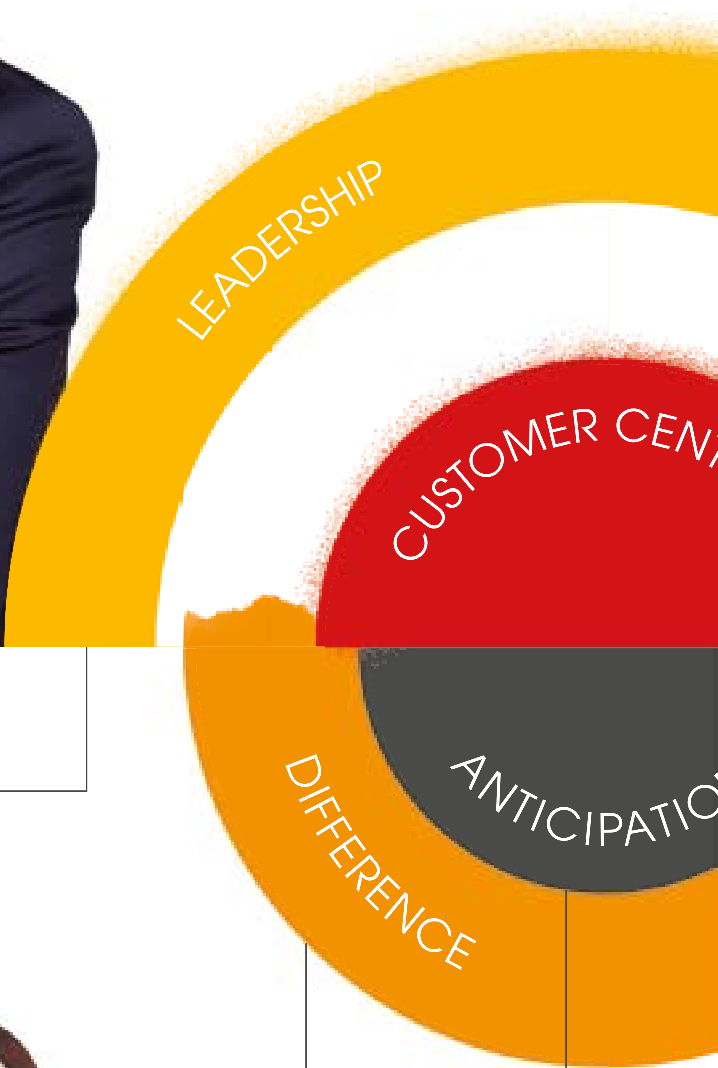
CEO's message

After the rebound in 2010 and recovery in 2011, 2012 was a year of refoundation. In each business and each function, we have corrected the problems of the past, risen to new challenges and planned carefully for the future. Through this triple approach to catching up, sustaining and revitalizing, we have collectively become more efficient, cohesive and credible than we were one year ago.
The RTH division has made a historic effort to reduce its lead-times while maintaining a wide range that meets new engine standards, and presenting concept trucks to widespread acclaim.
The IMH division has firmly positioned itself for life after Toyota with a new range of forklift-trucks, which enjoyed immediate success. Furthermore, the CE division confirmed its strength, which makes it one of the Group's best assets just a few years after a controversial takeover. 12% growth in business in 2012 - achieved despite some fluctuations - lends weight to our view that 2013 will be a year in which we continue to stand out, overcoming local differences.
We want to make it a year of reclaim, targeting individual countries as much as segments or competitors. This also involves remastering our operational resources and looking to move boundaries, as well as adopting a fighting spirit and positive attitude.
In markets that become more volatile and less predictable every day, our demanding customers remain our greatest strength. On behalf of our industry, we want to promise them attentiveness and flexibility, tailored products, growth and performance.
This dual goal also lies at the heart of our CSR approach to ensure global, sustainable and shared success.

Jean-Christophe Giroux
President and CEO

Jean-Christophe Giroux, President and CEO

"Truth has no contrary." Georges Braque



"LEADERSHIP": THE FESTIVAL

The major event of 2012 bringing together suppliers, dealers, clients, journalists and partners, the Festival demonstrated the group's leadership, adding value for all stakeholders.

"DIFFERENCE": NEW BUSINESS

By preparing considerable firepower for new and emerging markets, the Manitou Group has gambled on a different approach to plan for the future. Working flexibly alongside its international customers, the New Business unit made up of experts from different cultures and with different profiles is able to conjure up and deliver innovative solutions ahead of the market.

"ANTICIPATION": CONCEPT TRUCKS

Concept trucks are the first part of a new drive based on three main themes: technology watch, observing clients' needs and developing our expertise and partnerships. Promoting and setting out our medium-term vision allows us to reaffirm our commitment to our clients.

VALUES AND STRATEGY

PUSH & PULL

Breaking with decades of cyclical performance, application markets were more hesitant, less predictable and more chequered in 2012. Micro-trends, local pockets of activity and sectoral wait-and-see attitudes prevented any general trend or single direction from emerging. We must be able to reconcile all of these differences without compounding them. However, we can also find new opportunities or work to make ourselves more successful. This is why the group designated 2013 "Push & Pull" year:

- to adapt to the new environment: managing new volatility and reduced visibility as best we can, and targeting any opportunities in terms of solutions or international markets;
- to ensure consistency in the industry: downstream with dealers and rental companies, and upstream with suppliers and OEM partners, through shared vision and resources and more responsible relations;
- to reform internal ways of thinking: overcoming rigidity and passiveness to become more flexible, reactive and determined.

"Push & Pull" is also a way of continuing the efforts of the last three years: Manitou Next! in 2010, Manitou Up! in 2011 and Manitou More! in 2012. Growth and performance are not mutually exclusive - they are interdependent: for all of us, for our customers, for our partners, for our shareholders, for employment, sales & marketing, brand awareness and the financial profile. Working together for the last three years, we have done much more than just hold on to what we have. We have given it meaning, coherence and strength. There is still massive room for improvement but the road ahead is mapped out for long-term success.

Five awards were attributed to group teams at the international Push & Pull conference at the start of 2013. These rewarded the best projects in 2012 for each of the group's five core values: "Leadership", "Anticipation", "Customer Centricity", "Difference" and "Accountability".

"CUSTOMER CENTRICITY": REDUCTION IN LEAD-TIMES

In the past, lengthy and volatile lead-times have been a persistent source of frustration for clients, sometimes affecting the group's competitiveness. By stabilizing and reducing its lead-times, the Manitou Group has significantly improved its commercial and operational efficiency, refocusing its priorities on the customer.

"ACCOUNTABILITY": LEAD-TIME REDUCTION

Reducing lead-times and above all being able to guarantee them was one of the most important supply chain challenges in 2012. Through these teams' work, the reliability of the group as a whole is enhanced.

DID YOU KNOW?

- In 2012, the Manitou Group ranked in the **TOP 5 of the GAIA Index** (category: “Over €500 million in revenue”), the first SRI Index for French Small & Mid Caps.
- In anticipation of certain regulations, the Manitou Group is having its non-financial “key” indicators audited by an external auditor.
- Approximately 90% of a telehandler’s CO_2 emissions are associated with its use.

PROVIDER OF SUSTAINABLE SOLUTIONS

We recognize both the positive and negative effects of our products and services on health and the environment. Being THE material-handling reference requires a commitment to innovation so that we can offer our clients safe, efficient, long-term solutions in partnership with our dealers and key account customers.

Fuel efficiency:
In 2015, the fuel efficiency of Manitou Group’s main machines will be assessed and improved on the new designs. In 2016, these targets will be challenged.

POWERED BY MANITOU GROUP PEOPLE

We realize that the men and women of the Manitou group hold the key to our long-term economic success. We have undertaken to provide them with a working environment conducive to their professional and personal development, and to secure their full involvement in our CSR approach.

Employee engagement:
In 2016, 100% of employees will have been trained to CSR issues, will know Manitou Group’s CSR strategy and how it will be implemented in their daily activities. One Manitou Group Sustainability Day(s) will be dedicated to raise awareness and celebrate Manitou Group achievements.

CORPORATE SOCIAL RESPONSIBILITY

LEVER UP SUSTAINABLE GROWTH & SHARED VALUE

To be THE material-handling reference, the Manitou Group has decided to factor Corporate Social Responsibility (CSR) into its strategy. Along with growth targets and unique market positioning, CSR forms the tripod on which the group will base its future development, incorporating social and environmental criteria. The Manitou Group is ultimately aiming for an integrated CSR model, in which CSR is seen as a new decision-making criterion in the group's operations, and as a strategic marker.

Hervé Saulais, General secretary

IN CLOSE PARTNERSHIP WITH OUR SUPPLY CHAIN

We recognize that our suppliers play an essential role in improving our performance in terms of sustainable development. We intend to forge close partnerships with them to plan, implement and manage our sustainable development strategy.

CSR requirements towards suppliers & products and monitoring of CSR suppliers performance:
In 2016, the suppliers providing 80% of our purchasing volumes will be evaluated in terms of CSR, and 60% will be considered "certified" (Best In Class) and 2 main purchased product categories will integrate CSR requirements.

JANUARY
Crossover agreement with Yanmar - Addition of Yanmar mini-excavators to the CE division's product range.

JANUARY
End of the French distribution agreement with Toyota.

FEBRUARY
Open' Up: launch of the MI forklift-truck.

JUNE
The Festival

The Festival: group event with all stakeholders.

JULY
First order on the Chinese agricultural market.

SEPTEMBER
MinExpo in Las Vegas: international trade fair for mining industry solutions.

TIMELINE FOR THE YEAR

2012 IN IMAGES

MARCH
Launch of the product plan.

MARCH
Signature of a major deal with a refineries company in South Asia.

JUNE
Launch of the MLT840 for the agricultural market.

SEPTEMBER
40 years of Manitou UK.

NOVEMBER
New head office for the group.

JANUARY 2013
International Push & Pull convention.

DESIGN

ASSEMBLY

DISTRIBUTION

EXPERTISE

THREE VALUE-CREATING FIELDS OF EXPERTISE

Since its origins, the Manitou Group has built an economic model around three pillars of expertise: design, assembly and distribution. This development strategy has enabled us to focus our efforts on product innovation, the setting-up of a high-performance, flexible industrial infrastructure and the creation of strong networks of independent distributors.

DESIGN

Product innovation is the key to a successful growth strategy.

The nurturing of a constant desire to innovate has enabled Manitou Group to anticipate the demands of the market by designing products that respond perfectly to our clients' needs. Moreover, by optimizing group-wide sourcing of components and selecting the best upstream partners, the group has built a reputation for reliable, high-quality products. The Manitou, Gehl, Mustang, Loc and Edge brands thus benefit from competitive advantages that are appreciated by all users.

Focus 2012

The major event of 2012, the Festival, which brought together the group's various partners (suppliers, dealers, clients, journalists, partners), offered a preview of the group's CONCEPT TRUCKS. Conceived by the group's designers, these futuristic handling machines took center stage, revealing several innovative new elements based on the constructor's expertise and ambitions.

ASSEMBLY

Undustrial facilities combining high performance and flexibility.

In order to be able to adapt to fluctuating demand and the characteristics of each market, the Manitou Group has built an industrial infrastructure around three guiding principles:

- expertise in the manufacture of the core components of each machine: chassis, booms and masts;
- a flexible supply chain ensuring an optimal production process and the use of outsourced staff and components;
- the installation of high-performance assembly systems.

Focus 2012

To overcome increasingly volatile conditions and develop a competitive edge by offering lead-times that suit its customers' needs, the group launched a project to restructure its Logistics & Industrial master plan in 2012.
A dual objective: make the supply chain more flexible and more robust!

DISTRIBUTION

Solid networks of independent distributors.

Since its beginnings, the Manitou Group has sought to build solid networks of local partners. Today, close to 1400 dealers and distributors spread over 120 countries, all specialized in handling equipment, promote the group's brands and share with it the same commitment to quality. The expertise of this network is now universally recognized in all the sectors where the group is present. A crucial role of the dealer network is the administration of sales, which enables the transportation and prompt delivery of equipment to the four corners of the globe.
By offering, through its network, an integrated service package, from financing to maintenance, the group is responding to the growing demand from its clients for a tailor-made service that enables them to optimize the use of their equipment.

Focus 2012

To gain a stronger foothold in Brazil, a country with strong growth potential, the group continued to develop its regional dealership network, agreeing a number of significant new partnerships for the Manitou, Gehl and Mustang brands.


MANITOU


MANITOU
MANITOU
CONSTRUCTION


AGRICULTURE
GEHL

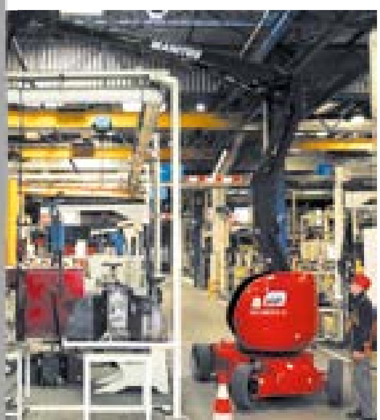

GEHL


MANITOU

MARKETS

THREE MARKETS AND AN INFINITE NUMBER OF APPLICATIONS

INDUSTRIES




2012 REVENUE
€857M
I.E. 68% OF TOTAL REVENUE
STAFF: 1,585
MANITOU

RTH DIVISION

A NEW LEVEL OF EXPECTANCY AND INDUSTRIAL PERFORMANCE

"Taking advantage of last year's reorganization, which led to better focus, greater consideration for our responsibilities and new teamwork, 2012 was a year of real refoundation for the RTH division."

Eric Lambert, President RTH Division (Rough Terrain Handling)

All-terrain handling is the Group's historic activity and remains the core business within the RTH division (Rough Terrain Handling). This develops material-handling and people lifting equipment for the construction markets (roofers, carpenters, builders, etc), agriculture (livestock farmers, cereal growers, etc), industries like mining and waste processing, and also for institutional clients (armed forces, the UN, etc). The Manitou Group listens closely to its end-clients and is constantly striving to increase its understanding of their needs and thus to guarantee more reliability and better performance.

The RTH division's core brands are:

- telehandlers for the construction industry (MTs) and agriculture (MLTs) with a lifting height of 5 to 18 metres and a capacity of 2.3 to 4 tonnes;
- rotating telehandlers (MRTs) with a lifting height of 14 to 30 metres and a capacity of 4 to 5 tonnes;
- high-tonnage MVT and MHT solutions which are particularly suited to mines and quarries, for example;
- all-terrain personnel access platforms, either diesel or electric, which include the ATJ aerial work platforms or telescopic TJ, the vertical VJRs and the scissors-based XEDs, ranging in height from 5.70 to 28 metres.

RTH develops and builds these products on the Ancenis, Candé and Laillé sites in France and the Castelfranco site in Italy. Around 130 engineers work in the R&D departments at these different sites on the RTH division's future products.

Review of 2012 and outlook for 2013

Product plans were redrafted, industrial performance improved substantially in terms of both quality and lead-times, and most importantly the overall level of expectancy for all of our processes increased significantly.

Despite extremely volatile conditions, the main elements of our industrial reorganization are already well underway with our partners. They are already producing results and will make 2013 a year of consolidation for our general strategy.

2012 REVENUE

€163 M

I.E. 13% OF TOTAL REVENUE
STAFF: 207

IMH DIVISION

A TRIPLE CHANGE FOR A NEW AMBITION

"The market is bigger than we ever dreamt." Jack Welch

Fabrice Beslin, President IMH Division (Industrial Material Handling)

The IMH division (Industrial Material Handling) positions the Group on the world's leading material handling market.

The division develops handling equipment dedicated to industrial applications. It also offers management services for fleets of handling machines, builds masts for Toyota Europe.

The main product ranges of the IMH Division are:

- Manitou industrial and semi-industrial masted forklifts including electrical telehandlers of 1.5 tonne to 3 tonnes and diesel telehandlers with a lifting capacity ranging from 1.5 tonne to 7 tonnes;
- truck-mounted forklifts with a lifting capacity of 2.5 tonnes to 2.7 tonnes;
- warehousing equipment also distributed under the LOC brand, including pallet-trucks, stacking trucks, order preparers, industrial tractors, retractable mast telehandlers, etc.

IMH develops these products on Beaupréau's site (France - 49). Providing a genuine response to the specificities of material handling on level surfaces and in warehouses, this equipment also benefits from a service offer that runs from financing to maintenance or rental plans.

Review of 2012 and outlook for 2013

2012 was undoubtedly a critical year for the Manitou Group's strategy on the industrial handling market.

Firstly, our French distribution agreement with Toyota for industrial materials ended on 31 December 2012. Staff at our CFM subsidiary, the company's "industrial" skill center for the last 40 years, have been redeployed within the group to better serve our new ambition for this market.

We then completed the transfer of all warehousing ranges to the Beaupréau site, home of the IMH Division.

This product-line, which is now fully operational, was reindustrialized to meet the group's engineering and manufacturing standards.

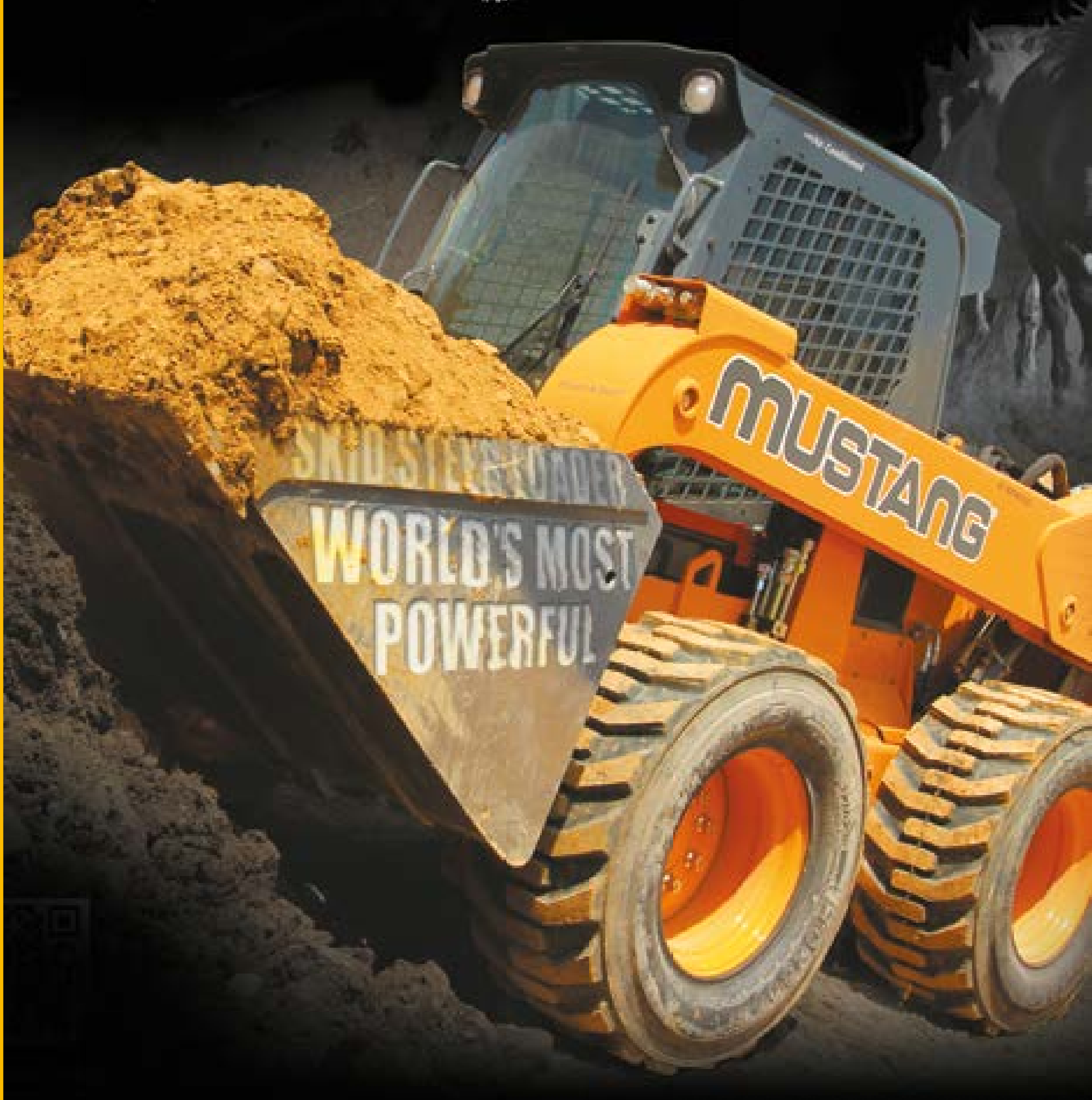
Lastly, the new MI range - 1.5t to 3.5t IC forklift-trucks on our core market - was launched successfully in the first quarter of 2012.

After this triple change in 2012 comes the implementation in 2013 - and beyond! - of a now global product AND sales & marketing strategy to secure an unprecedented international presence for the Manitou Group in the Industrial market, reflecting a new ambition.

2012 REVENUE

€245M

I.E. 19% OF TOTAL REVENUE
STAFF: 541



CE DIVISION

REVITALIZED **GROWTH AND PERFORMANCE**

"Despite the economic challenges of 2012, the CE Division focused its energies on initiatives to expand its core products in existing markets and expansion into new global markets. These accomplishments have generated momentum in our global distribution and will continue to drive strong performance for our future."

Daniel L. Miller, President CE Division (Compact Equipment)

Formalized by Manitou's acquisition of Gehl in October 2008, the partnership between the two companies was originally based on the complementarity offered by their respective product ranges and networks. In 2009, the activities of Gehl were integrated into the "Compact Equipment" division, as were RTH and IMH, as part of the Group's organizational overhaul.

Beyond product complementarity, numerous synergies that were initiated in 2009 began to bear fruit in 2010 and 2011, both internally (purchasing, R&D, production, etc) and in our dealer networks across all countries.

CE's primary product ranges are:
- Gehl and Mustang skid-steer and trackloaders;
- compact excavators;
- compact loaders;
- articulated loaders;
- telehandlers;
- trackloaders.

Review of 2012 and outlook for 2013

Supporting its strength in 2012, the CE Division focused on numerous objectives to expand its core products in existing markets, as well as new global markets. Enhanced investment in research and development, new products, emission regulation compliance, a new strategic partnership, as well as many operational objectives, were instrumental in achieving an improved profit performance and a solid revenue growth of 30%. These accomplishments continue to strengthen the position of the CE Division for future growth and performance.

New Product introductions:
- **4,000 lbs. capacity skid loader – the world's largest skid loader**
- **Five new Excavator models, plus Z35 Gen 2 excavator**
- **Launch of Tier IV products**

Reinvesting in Engineering and R&D expertise

Capitalizing on New Business Opportunities:
- **Expansion into Latin America and Brazilian subsidiary formation**
- **Product introductions into the mining and oil industry**

Increase Global Aftermarket Support:
- **Parts facility enhancement and expansion**
- **Investments in new training facilities**

Strategic Partnership opportunities with Yanmar

These machines are manufactured in the US at the Yankton and Madison plants. Their solidity, ease of use and lifting capacity make them particularly well adapted to the construction and agricultural markets.

NEW BUSINESS: A TEAM TO EXPLORE AND SEIZE GROWTH OPPORTUNITIES

To push back the traditional boundaries of handling and prepare for the future, the group has set up a New Business team. This cross-functional team of specialists has the task of exploring, anticipating and developing genuine handling solutions suited to specific industrial fields such as mining, the environment and the armed forces. Technical tailoring – machines, parts and services – for demanding users working in what can often be extreme conditions.

This unit's revenue virtually doubled in 2012, suggesting considerable potential for development over the coming years.

SALES & MARKETING STRATEGY

If we take care of our customers, they will pay us back a hundred times over.

Henri Brisse,
VP Sales & Marketing

SALES & MARKETING

Through a structured commercial approach, the group has shown its clear ambition to fuel sales growth on all markets, all over the world, in accordance with one of the Group's core values: Customer Centricity.

In 2012, the aim of the sales and marketing policy was to strengthen the Manitou Group's commitment to its different markets (construction, agriculture, industries) and four regions (Southern Europe, Northern Europe, Americas and APAM*) to fuel sales growth and provide better customer support.

All Group brands have been included in this strategy. The development of the Gehl and Mustang brands in Europe and the rest of the world was one of the year's biggest challenges, as was development of the Manitou brand in North America.

In 2013, we will be looking to regain market share in the group's traditional regions and continuing our global expansion on markets with high potential.

*Asia, Pacific, Africa, Middle East.

TWO FOCUS TEAMS TO MEET SPECIFIC COMMERCIAL NEEDS

Sales to rental companies and key accounts

In a construction market shifting increasingly towards rental, a special sales and marketing team for rental companies and key accounts was set up in 2012.

By adapting its range of products, services and finance offers for these demanding international customers, the group has been able to agree special partnership contracts with the support of dealers, confirming its leading position in the handling business for rental companies.

Industrial markets

A focus team has been set up to meet the group's new objective of expanding on industrial markets. Buoyed by the launch of the MI range, it concentrated on developing a sales and marketing strategy and specific solutions in terms of both products and customers in 2012.

AMERICAS

There was growth in most sectors on all markets: the rental market remained particularly strong in North America. The Brazilian economy was weaker than expected but the group has started to take action in the rental sector and with product distribution (mainly SL models).
Residential and business construction is showing signs of picking up although there has been no absolute confirmation of this. The oil and gas industry has generated considerable demand for our products. Most of North America has suffered from drought, although this has not affected the agricultural sector too much as commodity prices have remained high. The consolidation of leading North American rental companies has created new business opportunities. The group continues to benefit from the vast opportunities presented by the mining sector in Chile, being something of a pioneer in this area.

2012 REVENUE
€250M

ASIA, PACIFIC, AFRICA, MIDDLE-EAST

This sales region posted growth of more than 30% in 2012. The mining and energy sectors were dominant in the first half of the year, especially in Australia, Indonesia and South Africa. Also, symbolic inroads were made into the construction and agriculture markets, on which the Asian branch in Singapore reached an unprecedented level. Major dealer recruitment programmes were also carried out to improve sales and marketing coverage, both geographically and in terms of brands and application markets.

2012 REVENUE
€154M

4 SALES REGIONS

NORTHERN EUROPE

Despite a changing economic environment, Northern European sales grew by 12% in 2012, reflecting the group's overall expansion.
The United Kingdom, Benelux countries, Germany and Russia improved while Poland, Central Europe, Scandinavia and the Baltic states remained stable. Sales of RTH products were up 9% but the most significant growth came from CE (+18%) and IMH (+50%) products, which is promising and follows the launch of the new range of MI forklift-trucks.
In 2012, the construction and agriculture sectors fared similarly to Northern Europe (+8% on average) while AWPs and Performance ranges increased by more than 30%.

2012 REVENUE
€416M

SOUTHERN EUROPE

This region was very badly affected by the economic crisis in 2012. The crisis hit the construction sector in particular with very low sales in Spain, Portugal and Italy. The French market suffered less as major rental companies upgraded their fleets. The agricultural market held up well in all countries as commodity prices were decent. However, trouble obtaining finance weighed heavily on sales. Turkey remained the strongest growing country in the region.

2012 REVENUE
€445M

GENERAL SECRETARIAT: RISING TO CURRENT AND FUTURE CHALLENGES

Like the organization as a whole, the General Secretariat has played a role in the group's restructuring. Catching up, rising to new challenges and planning for the future were the three objectives underlying our work, reforms and projects in 2012. We shall illustrate this with an example for each period of time.

Hervé Saulais,
General Secretary

CATCHING UP: IT SYSTEMS

The Butterfly project is about catching up. Realizing that our ERP version was becoming obsolete for our French operations, a migration was completed in an exemplary manner. The diversity of operations (procurement, supply chain, production, sales, after-sales, finance, etc.), number of users (more than 1,000) and expected cost set the bar very high for scheduling, budgeting and business continuity. Ultimately, work started on time, without any disruption to operations and with everything settled down in a fortnight - all on budget. The past is now behind us with the application up-to-date and operational.

RISING TO NEW CHALLENGES: INTERNAL COMMUNICATIONS

With 40% of its staff located outside France in more than 20 countries, the group needed a means of internal communication that took this new geography into account and could ensure that information was shared widely and comprehensively. "Com n' Share" was set up with this goal. At least six times a year, managers meet virtually through a real-time global video-conferencing system to discuss group news. They then pass this information on to their staff.

PLANNING FOR THE FUTURE: CORPORATE SOCIAL RESPONSIBILITY

The Manitou Group drew up a CSR strategy for the first time in 2012. This fits in with its general strategy and is based on three main aspects: products, human resources and suppliers. Pre-empting its legal and regulatory obligations, the Manitou Group chose to have an independent third party audit its CSR disclosures. The conclusion expressed is an unqualified limited assurance statement.

All of these factors are helping to make the group more resilient and more efficient, giving it the means to sustain its future growth.

GENERAL SECRETARIAT AND FINANCE

FINANCE: ORGANIZING CONTROLS AND FORECASTING PROCESSES

Hervé Rochet,
Chief Financial Officer

Looking ahead to anticipate and constantly adapt to changes in our environment.

In 2012, the group began its refinancing programme, which should be completed before September 2013. Although modest at €7m, The group's issue of the first Micado 2018 bond paves the way for the introduction of traditional disintermediated finance.

The group has also capitalized on the increased use of new reporting and consolidation tools since 2011. These now form the basis of managing the budget cycle, of financial control and of organizing planning procedures. Special efforts have also been made to strengthen internal control processes in the finance departments of all group companies.

These efforts have together helped the financial community to enhance its three roles: producing and reporting financial data, protecting the group's assets and interests, and supporting operational staff.

HUMAN RESOURCES: ORGANIZE, SUPPORT, ANTICIPATE

Characterized by our company's ongoing recovery and accelerated change, 2012 saw the Human Resources department focus its work on five areas.

INTRODUCING NEW ORGANIZATIONS

Started in 2011, the group's organizational plan was fully implemented in 2012. These modifications required the close involvement of Human Resources teams, who concentrated on finding the best internal or external resources to meet these new challenges. New values, internationalization, matrix-based organization, double reporting, calculation of results in product divisions rather than subsidiaries, restructuring of bodies representing staff, new means of internal communication... all changes to be explained and overseen to ensure full effectiveness.

BASING PAY ON PERFORMANCE

2012 allowed us make real progress in this area as for the second consecutive year more than 500 individuals in the group saw their pay based on annual targets. The higher the level of responsibility, the greater the variable portion of pay in overall compensation. Collective profit-sharing arrangements for all employees were also linked to operational performance criteria such as quality.

FINDING NEW WAYS TO BE FLEXIBLE

A very firm level of activity in the first half of 2012 followed by a slowdown in the second prompted all of our industrial sites in France, Italy and the United States to think of new ways to adapt their industrial working methods. These changes were accompanied by training programmes to make our workers more multi-skilled. This polyvalence, which increases flexibility and secures jobs, was subject to an agreement with our French workforce. Further discussions to relax the organization of work began at the end of 2012 and will continue in 2013.

Jérôme Tertrais,
Human Resources Director

In these times of rapid change, our managers have a key role: ease our fears and instil energy.

LOOKING TO THE FUTURE WHEN RECRUITING

In line with the group's five values - Leadership, Anticipation, Customer Centricity, Difference, Accountability - we recruited more than 300 new talents to the group in 2012 and transferred 150 staff internally, sometimes abroad. However, planning for a changing future, one that is unpredictable but will be highly competitive, means going a step further, especially in terms of anticipation. This is why we drew up succession plans for the top 150 positions in the group in 2012. This task, which will be updated each year, will allow us to be more reactive when staff leave and also widen our employees' career prospects.

IMPROVING STAFF RELATIONS THROUGH BETTER COMMUNICATION

With the creation of a new staff representation body at the parent company, the Central works committee, Manitou has given a new dimension to its staff relations. By arranging around 10 meetings a year according to the Board of Directors' schedule, management meetings and external considerations, we were able to talk to staff representatives about a wide range of topics including results, product strategies, structural change and developments with our partnerships. These completely transparent discussions led to a better understanding of the challenges facing the group.

HUMAN RESOURCES AND QUALITY

QUALITY: SOLID, METICULOUS PROCESSES FROM DESIGN TO DELIVERY

Bruno Tirel,
VP Quality

Being a step ahead applies to quality too.

Along with teams' motivation and commitment, the group's determination to make Manitou's Quality a Benchmark led to a further improvement in Quality at all stages of the value chain last year.

Various work was carried out in 2012 to:

- identify and determine the criticality of all discrepancies as close to their source as possible;
- structure and support customer protection and the handling of discrepancies within a specific time frame;
- improve the identification and prevention of Quality risks;
- anticipate and meet each customer's expectations in terms of Quality;
- build a close client-supplier relationship based on contracts and responsive processes;
- improve quality control at the design-validation stage, as well as tracking.

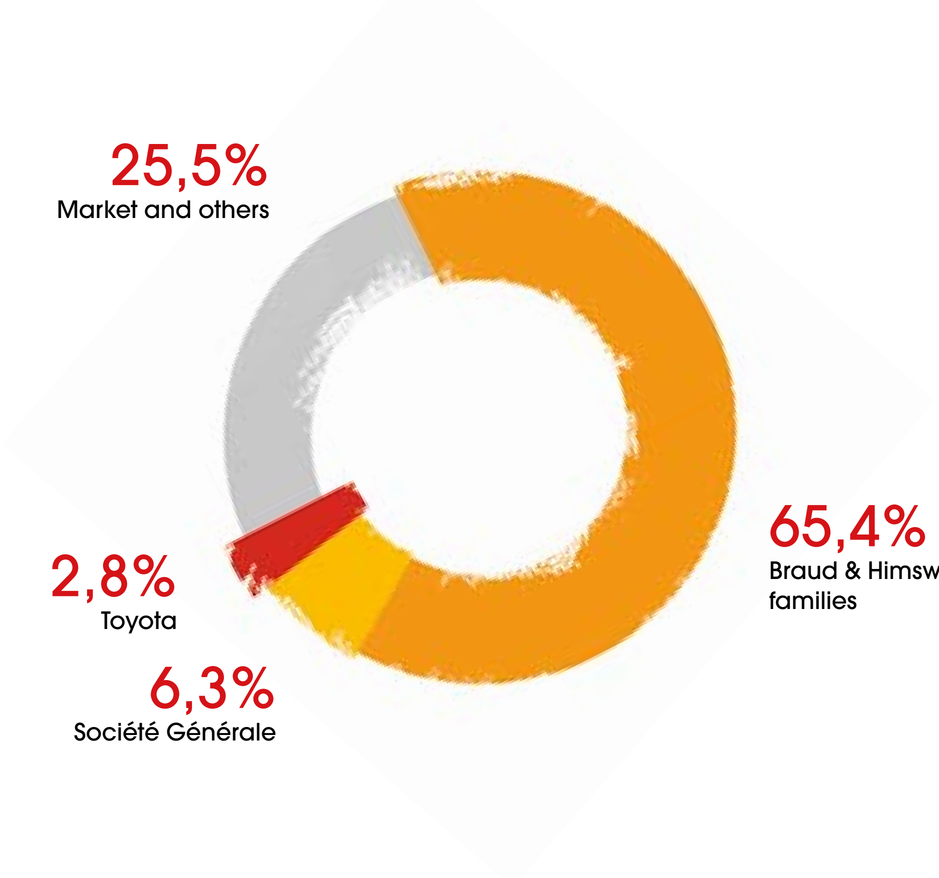
Calculating the Cost of Non-Quality has also been fine-tuned and strengthened to improve overall performance.

New levels have been set, both internally and with our suppliers, for the coming years.

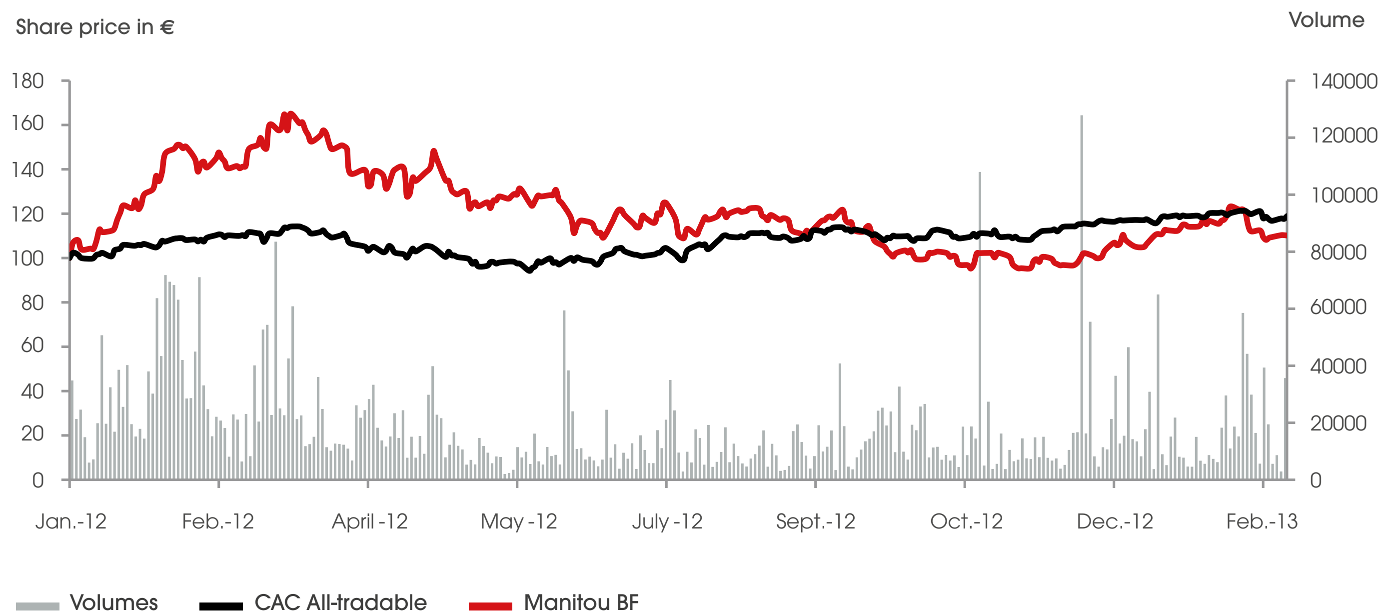
A clarification of responsibilities has made all of this possible.

2013 will be the year in which we standardize, apply and constantly improve the group's Quality standards to ensure customer satisfaction at every stage of the value chain.

SHAREHOLDERS



Index and volume evolution of Manitou share,
between 01.01.2012 and 14.02.2013



MANITOU ON THE STOCK EXCHANGE

SHAREHOLDERS AND SHARE DETAILS

Leading shareholders

- Branch of Braud family: 32,16%
- Branch of Himsworth family: 33,27%
- Braud and Himsworth families: 65,43%
- Généval (Groupe Société Générale): 6,26%
- Toyota: 2,83%

The Manitou share is listed on NYSE Euronext Paris

- EUROLIST compartiment B
- Code ISIN : FR0000038606

Capital and shareholders

- Capital of € 39 548 949 at 31.12.2012

Stock market indexes

- CAC Mid & Small • CAC Small
- CAC All-Tradable • NEXT 150

Share management

- Establishment in charge of managing shares: Société Générale Securities Services
- Market-making contract: Portzamparc Société de Bourse SA

Responsible for financial information

- Hervé Rochet - Financial Director

Analysts covering the Manitou share	
CA Chevreux	Christophe Puyo
CM-CIC Securities	Christian Auzanneau
Exane BNP Paribas	Laurent Gélébart
Gilbert Dupont	Denise Bouchet
Goldman Sachs	Eshan Toorabally
ID Midcaps	Denis Scherrer
Kepler Capital Markets	Pierre Boucheny
MainFirst Bank AG	Carole Rozen
Natixis	Kathleen Gailliot
NFinance Securities	Pierre Schang
Oddo & Cie	Emmanuel Matot
Portzamparc	Laurent Vallée
Société Générale	Marie-Line Fort

SHARE PRICE EVOLUTION IN €	2008	2009	2010	2011	2012
High	31,90	12,74	17,69	24,99	19,70
Low	7,50	3,48	8,91	10,01	10,86
Year-end price	8,15	10,38	17,31	11,74	13,00
Year change	- 73,9%	+ 27,4%	+ 66,7%	- 32,2%	+ 10,7%
Annual evolution of Cac Mid & Small	- 43,6%	+ 39,7%	+ 18%	- 21,4%	+ 20,5%
Market capitalization at 31.12 in millions of €	**308**	**390**	**650**	**464**	**514**
Number of shares traded daily	44 584	45 544	20 731	35 755	18 319
Number of shares traded annually	11 413 488	11 659 292	5 348 601	9 189 032	4 689 715
Number of shares at 31.12	37 809 040	37 567 540	37 567 540	39 547 824	39 548 949
Share turnover rate	30,2%	30,8%	14,2%	23,8%	11,9%

THE MATERIAL-HANDLING **REFERENCE**

2012 Financial report

MANITOU
GROUP

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1. MANITOU AND THE GROUP

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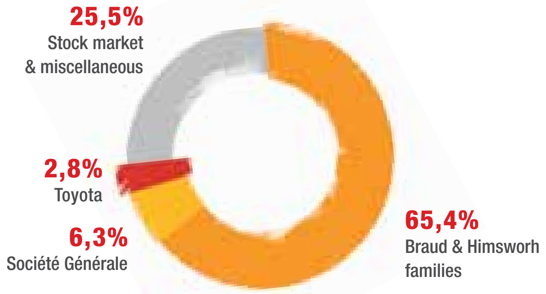
1.1 KEY FIGURES

MAIN CONSOLIDATED FIGURES

In millions of euros	2011	2012
Sales	1,131	1,265
Recurring operating income	51	45
Operating income	53	46
Net income attributable to the equity holders of the parent	36	46
Shareholders' equity	407	437
Balance sheet total	889	857
Annual dividends paid (or proposed) in the following year (in euros)	0.30	0.45
Cash flow from operating activities	49	38
Net debt*	86	103
Total headcount as at December 31	3,061	3,219

SHAREHOLDERS' STRUCTURE AT 31.12.2012



Market capitalization at December 31, 2012: €514 million

Share price at December 31, 2012: €13.00

Number of shares: 39,548,949

Indices: CAC MID & SMALL, CAC SMALL, CAC ALL-TRADABLE, CAC ALL-SHARES, NEXT 150

Eligible for DSS long-only (Deferred Settlement Service)

* The notion of net debt is defined in paragraph 2.2.9 of this document.

1.2 BACKGROUND AND HIGHLIGHTS

BACKGROUND

1945 The company "Braud Mécanique Générale" was created in Ancenis, France in the Loire Atlantique region.

1958 Development and marketing of the first rough terrain forklift truck and creation of the Manitou brand name.

In the 70's
The beginning of the group's internationalization: the creation of the distribution subsidiaries in the United Kingdom, Italy, etc.
The beginning of the distribution of Toyota industrial forklift trucks in France.

In the 80's
The group refocuses its activities on the design and production of handling equipment.
The group establishes itself in the USA.

1981 Launch of the first telescopic forklift truck for construction.

1984 Manitou BF* listed on the "Second Marché" (Secondary securities market) in France.

1989 Launch of first telescopic forklift truck for agriculture.

The 1990's
The group pursues its international expansion (Benelux, Germany, Spain, Portugal, Singapore and South Africa).

1995 Creation in Ancenis of a joint venture with the Toyota Group, intented to assemble the Japanese manufacturer's industrial forklift trucks for Europe.
Launch of the first range of aerial work platforms and rough terrain truck mounted forklifts.

In the 2000's
The continuation of the group's internationalization in Canada, Australia, China, Poland, Russia, Chile, Romania and India.
Manitou celebrates its 200,000th forklift truck.

2004 Manitou signs a cross agreement with the US company Gehl for the distribution of products in the USA and acquires a 14.9% stake in Gehl's capital.

2008 Launch of a public offering for the purchase of Gehl in order to strengthen the group's presence in North America and benefit from the portfolio of complementary products. The transaction was announced a week before the fall of the Lehman Brothers bank. Gehl becomes a wholly owned subsidiary of Manitou BF as of November 1, 2008.
Manitou celebrates the 50 years of the Manitou forklift truck.

2009 The economic crisis results in a 54% drop in sales and the beginning of a financial crisis.
Appointment of Jean-Christophe Giroux as Chief Executive Officer and the reorganization of the group into three divisions.
150 Year celebration of the Gehl brand name.

2011 Merger with the holding company SFERT within the framework of a readjustment of family control.

2012 A 12% growth in sales.
End of the distribution partnership with Toyota in France.
Launch of our own range of industrial trucks outside of France.
Signature of a partnership with Yanmar in North America.

* The company is indifferently referred to as either "Manitou" or "Manitou BF" herein

2011 AND 2012 HIGHLIGHTS

January 11 Manitou Up! which mobilizes the group around two axes (i) capturing growth through the creation of new sources of growth and the stimulation of existing markets, and (ii) the ability to deliver growth through an improved forecasting culture and improvements in the predictability of operations.

February Announcement of the reorganization of family control which was finalized in June with the Manitou BF-SFERT merger absorption and the signature of a new shareholders' agreement between the principle shareholders.

March ConExpo, Manitou Americas. End of the "Combination Plan" between the previous Gehl and Manitou organizations in the USA. Creation of Manitou Americas resulting from the merger of Gehl and Manitou North America.

April Synapse workshops. Manitou acts as a facilitator to strengthen the group's upstream supply chain in the Pays de La Loire region in France.
End of the Takeuchi OEM agreement in the United States.

May Arrival of Eric Lambert, President of the RTH division.

June Extension of the engine partnership with Mercedes.

September The inauguration of the IMH division's new head office in Beaupréau combining all of its production activities.
Arrival of Henri Brisse, Vice President Sales & Marketing.
Presentation of the group's first telescopic aerial work platform TJ280 (28 meters) at APEX.

November New websites: manitou-group.com for the group and a site for each brand: Manitou, Gehl, Mustang, Edge and Loc.
Introduction of the new MLT840 agricultural telehandler in EuroIIIB at Agritechnica.

December New subsidiaries in Brazil and India.

January 12 Manitou More! Which defines the group's five values: "Leadership", "Customer Centricity" (focusing on customers), "Anticipation", "Difference" and "Accountability" upon which the Manitou Group based its "THE material handling reference" mission.
Manitou announces a new partnership with Yanmar, a world leader in construction equipment.

February The launch of a new range of MI industrial forklift trucks (IMH division) outside of France.

April The 280TJ enclosures (RTH Division) receives the award for best international platform of 2012 (IAPA) awarded by a professional jury.

May "The Festival", an unprecedented external event with all partners. More than 1,000 guests from 80 countries (customers, dealers, importers, suppliers, bankers, analysts, journalists…) shared the group's vision and defined how to "Grow Together".

July The launch of the Gehl skid-steers with vertical masts and V400 Mustang 4000V (CE Division).

August Official launch of the MLT840, the latest innovation in the agricultural range (RTH Division).

September Fabrice Beslin appointed President of the IMH Division succeeding Jean Louis Hervieu who retired.
New subsidiary in Latvia.
First group participation in the MineExpo mining show in Las Vegas.

October Transfer of the masted rough terrain forklift activity (the Manitou) from France to Waco (Texas).

November Relocation of 150 persons from the group's administrative and sales teams to a new headquarters in Ancenis.

January 13 The Push & Pull convention which mobilizes the group towards continued adaptability in an environment without visibility. An adaptation aimed at delivering growth and performance.

March 6, 2013 The appointment of Dominique Bamas as CEO on an interim basis following the resignation of Jean-Christophe Giroux. Dominique Bamas, as a member of the Board of directors, waived the directorship he has assumed since 2009 to devote himself to his new responsibility.
Departure of Henri Brisse, Vice President Sales & Marketing.

1.3 THE GROUP'S MAIN BUSINESSES

The group is organised around three divisions:

– **The RTH Division** (Rough Terrain Handling), specialising in rough terrain handling equipment,

– **The IMH Division** (Industrial Material Handling), focusing on industrial handling equipment,

– **The CE Division** (Compact Equipment), specialising in compact equipment.

Each of these divisions is structured around the company's three areas of expertise as a designer, assembler and distributor of handling products.

Complementary businesses such as the sale of spare parts or attachments and the provision of services such as third party fleet management, training, etc., are a part of each division.

The group also owns the Manitou, Gehl, Mustang, Edge and Loc brand names.

The distribution network is mainly composed of distributors/dealers which either primarily market Manitou products or are multi-brand distributors. That configuration varies according to geographic regions. The company works with 1,400 distributors in 120 countries.

Sales financing is not considered to be a group business despite the fact that two joint venture companies are concerned by that business. Sections 3.1.4 and 2.2.7 provide more detailed information.

RTH DIVISION – ROUGH TERRAIN HANDLING

The RTH division designs, assembles and distributes rough-terrain products under the Manitou brand name.

Construction equipment

This division's products mainly consist of "Manitou" masted forklift trucks and the "Maniscopic" fixed and rotating telescopic forklift trucks. These trucks operate within a height range of 4 to 30 metres and can lift loads of up to five tonnes.

End-users are mainly craftsmen (builders, roofers, etc.) and regional, national or international rental companies. They work in the residential and non-residential construction and renovation industries. These users are looking for straightforward, multi-purpose products whose handling capabilities make them ideal for efficiently distributing materials on construction sites. A large number of attachments are available for our telescopic forklift trucks, enabling them to be used for a broad range of applications.

Manitou offers the most complete product range to meet all of these sectors' needs.

The equipment utilisation rate is around 500 hours a year.

Masted forklift

Telehandler

Rotating telehandler

Aerial work platforms

The "Maniaccess" range of aerial work platforms for personnel and loading is a part of the RTH division. The platforms designed and marketed by the group include articulated platforms, vertical and telescopic boom platforms. The platforms are powered by internal combustion for outdoor use and electrically powered for indoor use. A range of articulating aerial work platforms called "bienergy" is equipped with an internal combustion engine which allows their batteries to be recharged without on-site transformers.

The majority of platforms are marketed through independent regional, national and international rental companies, making this a very cyclical business.

Rough terrain aerial work platform powered with internal combustion

Aerial work platform electrically powered

Agricultural equipement

Equipment made for the agriculture sector is engineered to withstand intensive daily use. It consists of five to ten meter telescopic forklift trucks, which can be equipped with a multitude of attachments for performing common day-to-day tasks (scraping animal houses, cleaning, feeding cattle, silo-unloader, handling bales of straw / hay bales, loading and unloading materials, etc.). For example, stockbreeders use telescopic forklift trucks at a rate of around 1,500 hours per year which is more than they use their tractors.

Manitou is constantly improving the performance and finishings of its forklift trucks in order to meet the increasingly demanding requirements of its customers. Most customers own their own equipment and are looking for machinery with a high level of comfort on a par with that provided by their tractors and combine harvesters. Equipment intended for agricultural use is therefore equipped with cab suspension, air conditioning and the “JSM”, a Manitou-designed joystick that can be used to control the full range of the equipment’s handling functions with the fingertips.

The “performance” rough terrain forklift trucks

The high performance rough terrain equipment permits us to offer specialized handling solutions for the environmental, mining and industrial sectors, as well as institutional customers like armed forces and organizations like the UN, civil protection bodies, etc. The highest performing equipment can lift loads of up to 21 tonnes to a height of up to ten metres.

IMH DIVISION – INDUSTRIAL MATERIAL HANDLING

The IMH division designs, assembles and distributes rough-terrain products under the Manitou and Loc brand names.

It also distributes industrial trucks acquired from companies outside the group.

Industrial and semi-industrial forklift trucks

The IMH division designs and distributes a wide range of products for use in industrial handling:

– semi-industrial masted forklift trucks for use both in outdoor environments on unstable ground (pavements, gravelled surfaces, etc.) and inside buildings or warehouses,

– industrial forklift trucks powered by internal combustion or electrically, and intended for indoor or outdoor use on stable ground. The equipment distributed in France were from Toyota (until the end of 2012) and those distributed internationally were from Manitou.

– truck-mounted forklifts enabling drivers to load, unload and handle cargo.

Depending on their use, forklifts may be powered by internal combustion (diesel or gas) or electrically powered.



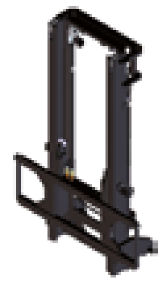
Warehousing equipment

Warehousing equipment is intended for warehouse handling activities. The numerous differentiations available means that equipment can be adapted to specific uses. The IMH division has a high level of expertise in the specific equipment sector. It distributes warehousing equipment under the Toyota (France only), Loc and Manilec brands.


Mast manufacturing

The mast is the central component of a forklift truck. The wide range of potential uses requires that the frontal masts of a forklift are adapted to meet users’ needs. The main differentiations are related to height and lifting capacity.

The masts produced are targeted towards the group’s internal needs as well as for Toyota Industrial Equipment, based in Ancenis.



Fleet management

In its desire to meet the operational needs of certain key account customers, the IMH division directly manages the maintenance of certain industrial forklift truck fleets, which it also owns. The most significant maintenance contracts relate to the maintenance of the handling equipment fleet at the PCA Peugeot Citroën factories in Rennes and Aulnay-sous-Bois in France. The group adjusted the number of employees assigned to the two sites affected by the industrial restructuring announced by PCA in July 2012. The number of employees assigned to the site in Rennes was reduced from 23 to 21 and at the Aulnay site from 6 to 5 persons.

CE DIVISION – COMPACT EQUIPMENT

The CE division designs, assembles and distributes compact handling equipment. The breadth of its product catalogue means that distributors have access to an attractive and complementary range designed to meet the full scope of end users’ needs. All of the CE division’s products are marketed under the Gehl and Mustang brands. A complete range of attachments is also distributed under the brand name Edge.

Skid-steers

Skid-steers are highly agile and versatile compact handling products. They are steered by locking the wheels on one side of the loader permitting them to pivot 360° on-the-spot. Their small size means they can be used in cluttered environments. These simple and heavy duty machines can be equipped with multiple attachments, enabling them to be used for a wide range of applications.

The main sectors using skid-steers include mainly construction and agriculture and, to a lesser extent, industry.

Track loaders

Since 2011, the division has been developing a range of track loaders driven by caterpillar tracks instead of tires which makes them particularly agile on loose surfaces. That type of equipment is mainly used for construction and agriculture.

Telescopic forklift trucks

The range of telescopic handlers provided by the Compact Equipment division is composed exclusively of simple and heavy duty equipment adapted to the North American market. Customers for such products mainly consist of regional and national rental companies.

Articulated loaders

The articulated loaders designed, assembled and marketed by Gehl are multi-purpose equipment which can be used for handling and load recovery activities. The range of products developed by the division is focused on low-capacity, compact equipment.

Mini excavators

The division distributes a range of mini excavators sourced from a third party supplier. This type of equipment, which is oriented towards the public works sector, is provided as a complement to the division's own product range.

1.4 INFORMATION ABOUT THE MAIN SUBSIDIARIES AND GROUP ORGANIZATION CHART

THE GROUP'S MAIN SUBSIDIARIES

Manitou Americas

One Gehl Way

West Bend, Wisconsin 53095, USA

A 100% owned subsidiary of Manitou BF.

Manitou Americas resulted from the merger of Manitou North America Inc. and Gehl Company Inc. which took place at the end of March, 2011.

Business: The distribution of all group products in the United States and the Compact Equipment products in countries not covered by the group's sales subsidiaries.

The design and assembly of compact equipment. The company, headquartered in West Bend, Wisconsin, has three production facilities located in Yanktown and Madison, South Dakota and Waco,Texas, as well as a distribution platform for spare parts in Belvidere, Illinois.

IFRS	2012	2012	2011	2011
Sales	$352.8 M	€274.6M	$283.5M	€203.6M
Net income	$46.2M	€35.9M	$24.2M	€17.4M
Headcount at end of period		717		701

Manitou Italia

Via Emilia – Cavazzona

41013 Castelfranco, Italy

A 100% owned subsidiary of Manitou BF.

The company formerly known as Manitou Costruzioni Industriali was renamed Manitou Italia in September 2012 when it merged with OMCI Attachment of which it held 100% ownership.

Business: The design, assembly and distribution of rough terrain fixed and rotating telescopic forklift trucks, as well as heavy capacity forklifts. The company also distributes all the group's products in Italy.

IFRS	2012	2011
Sales	€178.9M	€193.3M
Net income	€6.1M	€8.4M
Headcount at end of period	252	235

Manitou UK Ltd

Ebblake Industrial Estate

Verwood, Dorset, BH 31 6BB - United Kingdom

A 99.4% owned subsidiary of Manitou BF.

Business: The distribution of group products in the United Kingdom and Ireland.

IFRS	2012	2012	2011	2011
Sales	£81.5M	€100.5M	£71.9M	€82.8M
Net income	£2.1M	€2.6M	£1.4M	€1.6M
Headcount at end of period		41		40

Compagnie Française de Manutention SAS

510, Boulevard Pierre et Marie Curie

44152 Ancenis Cedex - France

A 100% owned subsidiary of Manitou BF

Business: The exclusive distribution of Toyota industrial forklift trucks and Toyota and Manitou warehousing equipment in France and the maintenance of a fleet of industrial forklifts for PCA Peugeot Citroën in Rennes and since 2010 Aulnay-sous-Bois, France.

The exclusive distribution agreement for Toyota products in France ended in December of 2012. As of January 2013 that business activity was replaced by the preparation of equipment for the IMH and RTH divisions.

IFRS	**2012**	**2011**
Sales	€69.6M	€68.4M
Net income	€2.4M	€1.5M
Headcount at end of period	116	127

Manitou Deutschland GmbH

Diesel Strasse 34

61239 Ober Mörlen - Germany

A 100.0% owned subsidiary of Manitou BF.

Manitou Deutschland absorbed Gehl Europe GmbH through a merger at the end of August 2011. As a consequence, the figures below for 2011 include the Compact Equipment business in Germany and Austria for a four month period.

Business: The distribution of group products in Germany, Austria and Switzerland.

IFRS	**2012**	**2011**
Sales	€86.4M	€65.4M
Net income	€2.1M	€1.0M
Headcount at end of period	28	28

MANITOU GROUP CONSOLIDATION SCOPE AT 31.12.2012

PARENT COMPANY

MANITOU BF SA
Share capital 39 548 949 EUR
430, rue de l'Aubinière
44150 ANCENIS, France

SUBSIDIARIES

FULLY CONSOLIDATED SUBSIDIARIES

- 100% — **MANITOU AMERICAS Inc.** Share capital 361 101 000 USD, WEST BEND, Wisconsin, United States
  - 100% — **GEHL POWER PRODUCTS, Inc** Share capital 100 USD, YANKTON, South-Dakota, United States
  - 100% — **MUSTANG MANUFACTURING COMPANY, Inc.** Share capital 15 USD, OWATONNA, Minnesota, United States
  - 100% — **COMPACT EQUIPMENT ATTACHMENTS, Inc.** Share capital 1 USD, CEDARBURG, Wisconsin, United States
  - 100% — **GEHL Receivables II, LLC** Share capital 1 000 USD, WEST BEND, Wisconsin, United States
  - 100% — **GEHL Funding, LLC** Share capital 1 000 USD, WEST BEND, Wisconsin, United States
  - 0,5% — MANITOU BRASIL MANIPULACAO de CARGAS LTDA.
- 100% — **CHARIOTS ELEVATEURS MANITOU CANADA Inc.** Share capital 20 000 CAD, MONTREAL, Canada
- 99,5% — **MANITOU BRASIL MANIPULACAO de CARGAS LTDA.** Share capital 600 000 BRL, SAO PAULO, Brazil
- 100% — **COMPAGNIE FRANCAISE DE MANUTENTION** Share capital 1 320 000 EUR, 510, bd Pierre et Marie Curie - 44150 ANCENIS, France
- 100% — **MANITOU ITALIA SRL** Share capital 5 000 000 EUR, CASTELFRANCO EMILIA, Italy
- 99,4% — **MANITOU UK Ltd.** Share capital 230 000 GBP, VERWOOD, United Kingdom
  - 100% — **PLEDGEMEAD** Share capital 10 000 GBP, VERWOOD, United Kingdom
- 98% — **MANITOU BENELUX SA** Share capital 500 000 EUR, PERWEZ, Belgium
- 100% — **MANITOU INTERFACE and LOGISTICS EUROPE** Share capital 500 000 EUR, PERWEZ, Belgium
- 100% — **MANITOU DEUTSCHLAND GmbH** Share capital 2 750 000 EUR, OBER - MÖRLEN, Germany
- 100% — **MANITOU PORTUGAL SA** Share capital 600 000 EUR, VILLA FRANCA, Portugal
  - 57,0% — **EPL CENTRO** Share capital 50 000 EUR, POMBAL, Portugal
- 100% — **MANITOU MANUTENCION ESPANA SLU** Share capital 200 000 EUR, MADRID, Spain
- 100% — **MANITOU VOSTOK LLC** Share capital 350 000 RUB, BELGOROD, Russia
- 100% — **MANITOU POLSKA Sp z.o.o.** Share capital 200 000 PLN, RASZYN, Poland
- 100% — **MANITOU NORDICS SIA** Share capital 170 000 LVL, RIGA, Latvia
- 100% — **MANITOU SOUTHERN AFRICA PTY Ltd.** Share capital 796 875 ZAR, SPARTAN EXTENSION, South Africa
- 86% — **MANITOU AUSTRALIA PTY Ltd.** Share capital 400 000 AUD, ALEXANDRIA, Australia
- 100% — **MANITOU ASIA PTE Ltd.** Share capital 400 000 SGD, SINGAPORE
- 100% — **MANITOU SOUTH ASIA PTE Ltd.** Share capital 9 400 000 INR, GURGAON, India
- 100% — **MANITOU CHINA Co Ltd.** Share capital 7 900 000 USD, HANGZHOU, China

ASSOCIATES

- 49% — **MANITOU FINANCE FRANCE SAS** Share capital 4 682 220 EUR, PUTEAUX, France
- 49% — **MANITOU FINANCE Ltd.** Share capital 2 870 000 GBP, BASINGSTOKE, United Kingdom
- 30,4% — **ALGOMAT** Share capital 20 000 000 DZD, ALGER , Algeria
- 50% — **HANGZHOU MANITOU MACHINERY EQUIPMENT Co Ltd.** Share capital 3 000 000 USD, HANGZHOU, China

The percentages shown are percentages for both capital and voting rights which are equivalent.

1.5 PROPERTY, PLANT AND EQUIPMENT

EXISTING PROPERTY, PLANT AND EQUIPMENT

The main wholly owned buildings are:

Country	Location	Approximate surface in square meters	Main functions
France	Ancenis, 44	82,000	Divisional headquarter and research centre for the RTH division, assembly of telehandlers and masted forklift trucks.
	Ancenis, 44	28,000	Logistics Centre for Spare Parts.
	Candé, 49	9,000	Research and production centre for aerial work platforms.
	Laillé, 35	10,000	Production Centre for compact telescopic forklifts.
	Beaupréau, 49	8,000	Divisional headquarter and research centre for the IMH division, assembly platform for masted forklift trucks, truck mounted forklifts and warehousing equipment.
	La Verrie, 85	5,400	Investment property.
Italy	Castelfranco, ER	18,600	Research and assembly platform for high capacity and rotating telehandlers.
United States	West Bend, WI	14,000	Headquarter and research centre for the Compact Equipment division.
	Madison, SD	24,000	Production centre for skid-steers.
	Yankton, SD	16,900	Production centre for telehandlers of the Compact Equipment division.
	Waco, TX	11,600	Assembly site for masted forklift trucks and truck mounted forklifts.
Singapore	Singapore	3,900	Offices, workshop for the preparation and warehousing of spare parts. (acquired in January of 2013)

MAIN RENTED BUILDINGS

Country	Location	Approximate surface in square meters	Main functions
France	Ancenis, 44	2,700	Group headquarter
United States	Belvidere, Il	9,400	Spare parts centre

2. 2012 MANAGEMENT REPORT

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2012 was a year of rebuilding for the group with project launches of an unprecedented scale intended to purge the recurring operational difficulties of the RTH division in addition to the implementation of structural changes for the IMH and CE divisions.

The recasting of the RTH division was accompanied by the launch of numerous structuring projects. In 2012, the first two of them reduced delivery times in half and completed the combination of all assembly activities for the rough terrain masted forklift trucks at the Waco, Texas site.

The reform work also led to the redefinition of the product development plan and the initiation of a multi-year process to restructure the supplier network and logistics chain.

After having restructured its manufacturing base in 2011, the IMH division initiated the completion of its marketing realignment in 2012 following the announcement by Toyota to directly takeover the distribution of its products in France. Their decision was applicable as of January 1, 2013 and ends a 40 year commercial partnership between the two groups. It provides Manitou the opportunity to standardize and globalize its commercial offering in industrial material handling. The separation with Toyota was managed in a climate of mutual respect and permitted the continued access to the products of both brand names at most of our joint dealerships beyond 2013. On its part, in February of 2012 Manitou launched a new range of Manitou Industry (MI) industrial forklift trucks which now represent the spearhead of the division. That range has been very well received by foreign customers and is now available to French dealers as of January 1, 2013.

The CE division confirmed the dynamism of its growth and its return to profitability. Its business was strengthened by the signing of a cross agreement in North America with the Japanese engine manufacturer, Yanmar. By consolidating the partnership with its main engine supplier, the division now has a range of mini-excavators assembled by Yanmar in exchange for the production of skid-steers by the CE division for Yanmar.

By benefiting from the continued expansion of its markets, both from a geographical and application point of view, the group was able to generate a growth rate of 12% in sales in a difficult global economy.

The financial performance has experienced contrasting trends. The increasingly competitive environment, the breadth of reforms undertaken, and significant deficiencies in quality attributable to suppliers, negatively impacted operating income which amounted to €46.5 million or 3.7% of sales.

Conversely, the return to better fortune of the CE division has eliminated any concerns about the non-recoverability of tax losses generated by the 2008-2009 crisis and permitted the capitalization of €24 million of deferred tax assets, of which, €22 million impacted the income. Net income attributable to the group thus increased by 26% to €45.9 million.

The financial recovery also translated itself in the resumption of a dividend payment, after three years without dividends. The dividend demonstrates the group's confidence in its future and its financial solidity. The later remained strong in 2012 with shareholders' equity representing 51% of total assets, and net debt of €103 million amounting to a gearing(1) ratio of 24%.

Backed by this situation, in 2012 the group will continue the job of rebuilding its industrial and logistics processes in order to better meet the expectations of its customers, its shareholders, and its employees.

This overall vision of the management of our business will be further reinforced with the continued promotion of the CSR process launched in 2012 and first presented to you in this report.

(1) The calculation of the gearing ratio is defined in section 2.2.9. of this report.

2.1 BUSINESS REVIEW

2.1.1 SALES PERFORMANCE

The 12% growth in sales achieved in 2012 was driven by three factors:

– A return of demand in the construction market in North America,

– Agricultural demand supported by favourable prices for farmers,

– The group's expansion and marked diversification on more markets and broader geographical regions.

2.1.1.1 CONSOLIDATED SALES

The group is organized into three product divisions with shared sales forces serving four geographical regions. The geographical split is based on the group's creation of a new marketing organization which was effective as of January 1, 2012.

The group owns the Manitou, Gehl, Mustang, Edge and Loc brand names.

SALES TRENDS BY DIVISION AND GEOGRAPHIC REGION

In millions of euros and as a percentage of total

2011 Revenues					In millions of euros and as a % of total	2012 Revenues				
Southern Europe	Northern Europe	Americas	APAM *	**Total**		Southern Europe	Northern Europe	Americas	APAM *	**Total**
335.4 *30%*	329.7 *29%*	42.1 *4%*	89.1 *8%*	**796.3** ***70%***	RTH	317.7 *25%*	360.0 *28%*	58.0 *5%*	120.9 *10%*	**856.6** ***68%***
116.4 *10%*	15.2 *1%*	4.3 *0%*	11.1 *1%*	**146.9** ***13%***	IMH	120.5 *10%*	22.9 *2%*	5.5 *0%*	14.1 *1%*	**162.9** ***13%***
10.2 *1%*	28.2 *2%*	131.8 *12%*	17.8 *2%*	**187.9** ***17%***	CE	7.1 *1%*	33.3 *3%*	186.2 *15%*	18.7 *1%*	**245.2** ***19%***
462.0 ***41%***	**373.1** ***33%***	**178.1** ***16%***	**117.9** ***10%***	**1,131.1** ***100%***	**Total**	**445.3** ***35%***	**416.1** ***33%***	**249.7** ***20%***	**153.7** ***12%***	**1,264.8** ***100%***

* APAM : Asie, Pacifique, Moyen Orient

SALES PERFORMANCE BY DIVISION

SALES PERFORMANCE – ROUGH TERRAIN HANDLING DIVISION (RTH)

Rough Terrain Handling division (RTH): The Rough Terrain Handling (RTH) division markets handling and personnel lifting equipment to the construction, agriculture, industrial (e.g. mining) and environmental segments, as well as to institutional customers, armed forces, etc. It accounted for 68% of group sales in 2012 and reported an 8% increase compared to 2011.

In 2012, sales remained strong, with the exception of the countries in Southern Europe which have been affected by a major economic crisis.

RTH division: Sales in Southern Europe

In Southern Europe (€317.7 million, -5%), sales in the construction industry were hard hit by the economic recession in Italy and the Iberian peninsula. The other segments, agriculture and industrial handling, continued to grow due to continued high farming incomes.

RTH division: Sales in Northern Europe

Sales increased by 9% to €360 million. Despite a tense and volatile economic environment, business has been growing in all segments. Growth was particularly strong in the construction segment in the UK and Benelux countries as well as in agriculture in Germany and the Benelux countries. In addition, sales of platforms to rental companies increased as they experienced significant fleet renewal needs.

RTH division: Sales on the American continent

The division's business on the American continent mainly consists of the distribution of masted forklift trucks in the US and Canada, which are assembled at the Waco, Texas plant, and telescopic forklift trucks imported from Europe. The South American business is focused on the distribution of European telescopic forklift trucks.

With sales of €58.0 million, up 38%, the division fully benefited from the economic recovery in America as well as the dynamism of the economy on the South American continent.

RTH division: Sales in the APAM region

Sales of €120.9 million increased by 36% as compared to 2011 permitting the region to now represent nearly 10% of group sales.

The increases varied depending on the country or applications. Growth was strong in the mining business or the high value-added technical applications.

SALES PERFORMANCE - INDUSTRIAL MATERIAL HANDLING DIVISION (IMH)

The IMH division markets handling and warehousing equipment for industrial applications and management services for handling equipment parks. It also works as a sub-contractor for masts sold by Toyota. With sales of €163 million in 2012, it represented 13% of group sales, an increase of 11% compared to 2011. 2012 was highlighted by the announcement of the discontinuation of the Toyota distribution contract in France as of January 1, 2013. In expectation of the end of that business, the division launched a new range of industrial forklifts which were made available to the international sales network at the end of February 2012 and which has been available to the French network as of January 1, 2013 as a substitution of the Toyota products.

IMH division: Sales in Southern Europe

Sales of €120.5 million were recorded representing an increase of 4% as compared to 2011 mainly due to:

– The growth in the industrial forklift business, both in France and internationally,

– The continuation of growth in mast assembly for the Toyota account.

IMH division: Sales in Northern Europe

Sales of €22.9 million realized in Northern Europe represented a 50% increase compared to 2011. The region's growth reflects the initial success of the launch of the new industrial forklift as of February 2012.

IMH division: Sales on the American continent

The division's business mainly consists of the distribution in the US and Canada of masted semi-industrial and truck-mounted forklifts assembled at the Waco plant in Texas and the distribution of Manitou industrial forklifts in South America.

In 2012, sales of €5.5 million were recorded, an increase of 28% compared to 2011, mainly in the distribution of semi-industrial forklifts and truck mounted forklifts, which were supported by the economic recovery in North America.

IMH division: Sales in the APAM region

In the APAM region the division distributes masted forklifts and industrial forklifts. The sales are mainly realized in Southern Africa region and Australia.

Sales of €14.1 million represent an increase of 27% compared to 2011, mainly through the distribution of industrial and semi-industrial forklift trucks in Oceania and Africa.

In 2012, purchase/resale transactions represented 50% of sales revenues for the IMH division.

SALES PERFORMANCE - COMPACT EQUIPMENT DIVISION (CE)

The Compact Equipment division markets compact handling equipment to the construction sector, the agricultural sector and, to a lesser degree, to the industrial sector, under the Gehl, Mustang and Edge brand names. It combines all of the Gehl businesses acquired in 2008. In 2012, with sales revenues of €245 million, the division represented 19% of group sales and reported 30% growth in sales as compared to 2011.

CE division: Sales on the American continent

After being impacted by a decrease in sales of over 80% in 2008-2009, the CE division's sales on the American continent continued their rebound (+41% in 2012) towards normal levels. The year 2012 was driven by both the staying power of the agricultural sector and the acceleration of equipment replacement needs of end-users and rental companies in construction. The division also benefited from the signing of a cross agreement with Yanmar for North America which was concluded in 2012. Through that agreement, the CE division will develop and assemble skid-steers for Yanmar, in return for which Yanmar will make its mini-excavators available to the CE division under the Gehl and Mustang brands for the same territory.

CE division: Sales in Southern Europe

The division realized sales of €7.1 million, a decrease of 30% compared to 2011. The decrease especially stood out in Italy which, despite being the number one market in Europe for skid-steers, has been hard hit by the economic recession and financing difficulties of companies.

CE division: Sales in Northern Europe

The division reported sales of €33.3 million in 2012, an increase of 18% compared to 2011. Distribution synergies with dealer networks continued to be strong throughout the region.

CE division: Sales in the APAM region

Sales of €18.7 million increased by 5% during the year, mainly in Asia.

2.1.1.2 ORDER BOOK BY DIVISION

The notion of order book is defined in section 2.2.9 of this document.

The order book can be split by division as follows:

(In units)	**31.12.2011**	30.06.2012	**31.12.2012**
RTH	5,790	4,303	3,900
IMH	1,799	1,573	1,369
CE	1,779	2,154	1,440
Group total	**9,368**	**8,030**	**6,709**

Considerable efforts were made in 2012 to reduce the depth of the RTH and IMH divisions' order books in order to be more responsive to market demands.

2.1.2 BREAKDOWN OF SALES BY INDUSTRY SECTOR

The group designs, assembles and distributes products destined for the construction, agricultural and industrial markets.

IN THE CONSTRUCTION SECTOR, market developments were very contrasted according to geographic region and type of customers. In Southern Europe, business was strongly reduced throughout all countries. Rare pockets of growth were identified by backorders from rental companies, especially for aerial work platforms.

In Northern Europe, 2012 was a year of growth, with growth opportunities in the UK and Russia.

In North America, the construction industry is experiencing a strong recovery driven by the continuing upturn in housing starts. The improvement in business activity and the expectation of a general resumption of construction has triggered a massive return of rental companies following more than four years of complete or partial absence.

The APAM region experienced strong growth driven by the dynamism of the sector in Australia and South Africa.

2012 sales realized within the construction market represented 38% of total consolidated sales compared to 43% in 2011.

IN THE AGRICULTURE SECTOR, demand was supported by structural requirements for the renewal of equipment which is commonly used intensively, and by an economic environment favourable for investment. Indeed, commodity prices, milk, meat, cereals etc. have remained at levels sufficiently high to support farming incomes. Finally, the severe drought which took place in various regions of the world in 2012 had little impact on business activity. Numerous farmers who were affected were able to partially offset the decrease in production volume with an increase in market prices for their products and/or benefit from insurance indemnities.

Sales realized in the agricultural sector represented 33% of total consolidated sales in 2012, remaining at the same percentage as in 2011.

IN THE INDUSTRIAL SECTOR, where the group's presence extends across businesses sectors as diverse as manufacturing, mining, the wood industry, the petroleum and gas industries, waste treatment and recycling or investments in equipment, major growth opportunities were generated.

The industrial segment accounted for 29% of consolidated sales in 2012 as compared to 23% in 2011.

Regarding seasonality, the construction sector is at its highest point in terms of business activity at the end of winter. Concerning the agricultural sector, spring and summer are the peak activity periods.

As a manufacturer of machines, the group's business is also affected by the worldwide economic climate.

2.1.3 COMPETITIVE POSITION

From the beginning, the Manitou Group has based its business model on three key professions: design, assembly and distribution. This development strategy has permitted us to focus our efforts on product innovation, the development of efficient and flexible industrial tools, and the construction of a strong network of independent distributors. The main competitors have been operating in their respective fields for many years.

For the IMH division, the main competitors are:

Name	Nationality	Listed / Non-listed
Kion	Germany	Non-listed
Jungheinrich	Germany	Listed
Nacco	United States	Listed

For the RTH and CE divisions, the main competitors are as follows:

Name	Nationality	Listed / Non-listed
JCB	Great Britain	Non-listed
Merlo	Italy	Non-listed
JLG (OSHKOSH Group)	United States	Listed
Genie (Terex Group)	United States	Listed
Boncat (Doosan Group)	South Korea	Listed
Haulotte	France	Listed
Caterpillar	United States	Listed
Ausa	Spain	Non-listed
Dieci	Italy	Non-listed
CNH	United States	Listed
John Deere	United States	Listed
Claas	Germany	Non-listed

2.2 FINANCIAL RESULTS

2.2.1 CONSOLIDATED INCOME STATEMENT

In millions of euros	2011	2012
Sales	1,131.1	1,264.8
Gross margin	**173.6**	**177.6**
As a % of sales	15.3%	14.0%
Recurring operating income	**51.3**	**45.5**
As a % of sales	4.5%	3.6%
Restructuring & Impairment of assets	1.7	1.0
Operating income	**52.9**	**46.5**
As a % of sales	4.7%	3.7%
Financial income / expense	(9.0)	(10.1)
Share of income from affiliates	1.0	1.4
Taxes	(8.4)	8.4
Net income attributable to the equity holder of the parent	**36.4**	**45.9**

In a gloomy economic context lacking in visibility, the group succeeded in achieving sales growth of 12%. Nonetheless, the operating margin decreased as compared to 2011. The decrease was provoked by competitive pressures which were exacerbated by changes related to new engine standards and by numerous efforts made to reform the RTH division (reducing delivery times in half, the recasting of the product development function, the launch of a supplier rationalization plan and a logistics flow management plan). For all divisions combined, efforts to structure the group resulted in an increase in indirect production costs of €14 million, research and development costs of €5 million and selling, marketing & administration expenses of €3 million.

Operating income was impacted to the tune of €10 million by specific items related to efforts to reduce delivery times (€3 million), to supplier quality problems (€5 million) and, finally, to the organization of two exceptional communication events (€2 million).

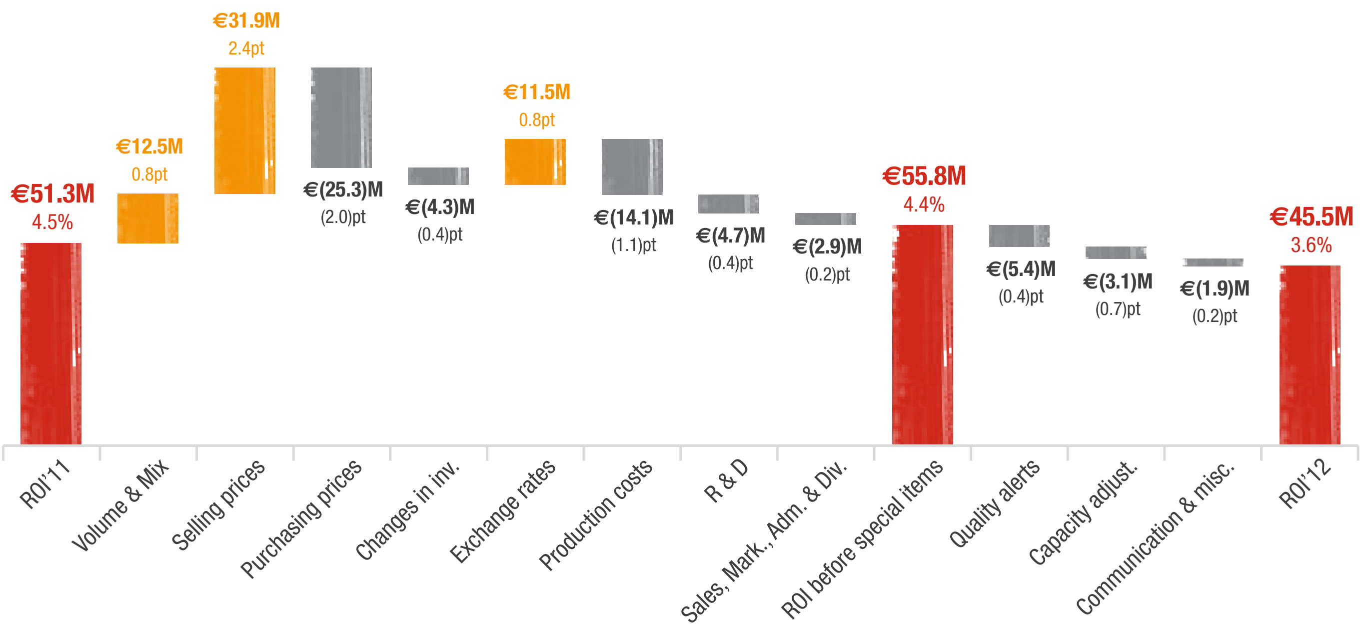
Financial expenses increased from €9 million to €10 million following the increase in net debt.

Income from affiliates, mainly consisting of financing companies including Manitou Finance France and Manitou Finance UK, increased by 42% to €1.4 million.

Finally, the return to better fortune, year-after-year since 2009, of Manitou Americas (previously Gehl company) permitted us to consider the use of the remaining tax loss carry-forwards of this entity as probable, which thereby permitted us to capitalize those assets, as well as other previously unreported differed tax assets in the amount of €18 million, of which €15 million were reported through the income statement as a reduction of tax expense. The line item "Group tax expense" thus amounted to a net credit of €8.4 million as compared to an expense of €8.4 million in 2011.

Given these components, the net income attributable to the parent company amounted to €45.9 million, an increase of 26% versus the prior year period.

CHANGE IN GROUP OPERATING INCOME BETWEEN 2011 AND 2012



2.2.2 INCOME STATEMENT BY DIVISION

In millions of euros	RTH	IMH	CE	**2011**	RTH	IMH	CE	**2012**
Sales	**796.3**	**146.9**	**187.9**	**1,131.1**	**856.6**	**162.9**	**245.2**	**1,264.8**
Gross margin	124.5	17.3	31.9	173.6	115.2	22	40.4	177.6
As a % of sales	15.6%	11.8%	17.0%	15.3%	13.4%	13.5%	16.5%	14.0%
Recurring operating income	**47**	**(1.8)**	**6.1**	**51.3**	**27.6**	**2.6**	**15.3**	**45.5**
As a % of sales	5.9%	(1.2)%	3.2%	4.5%	3.2%	1.6%	6.2%	3.6%
Restructuring costs and impairment	(0.8)	(0.4)	(1.4)	(2.6)	(0.1)	1.1		1.0
Bad will from merger (net)				4.3				
Operating income	**46.2**	**(2.2)**	**4.6**	**52.9**	**27.6**	**3.6**	**15.3**	**46.5**
As a % of sales	5.8%	(1.5)%	2.4%	4.7%	3.2%	2.2%	6.2%	3.7%

RTH DIVISION (ROUGH TERRAIN HANDLING) INCOME STATEMENT

The division saw its sales grow by 8%. The year was underlined by the implementation of many reorganization projects starting with one that weighed the heaviest on its customers: the halving of delivery times for all of its production lines (from 25 to 30 weeks in 2011 to 12 to 16 weeks in 2012).

The margin on cost of sales was 2.2 percentage points lower than 2011 levels. The mains causes of that decrease were related to:

– a less favourable product mix resulting from the relative decrease in sales of spare parts (€3 million or 0.4% of operating margin) as well as the gradual launch of equipment with the new engine standards in a highly competitive environment (an €11 million increase in the cost of goods sold for the new generation of equipment). For more information on the changes in the standards for engines (description and impact), please refer to paragraphs 2.3 and 3.2.6 of this document;

– additional resources put in place to manage numerous multiyear projects, such as the redesign of the purchasing, production and supply chain functions (€7.5 million or 0.9% of operating margin);

These negative factors were only partially offset by the improved absorption of fixed costs associated with the increased level of business activity and price increases.

The result was a decrease in gross margin of €9.3 million or 2.2 percentage points of operating margin.

In addition, the division has accelerated its research and development projects and recast its product plan. A majority of the projects were carried out in a framework of adaptation-development of the machinery to the new regulatory standards for engines. Few of them qualified for the capitalization of the expenses incurred. Given these factors, the research and development expenses increased by 48% to €16 million versus €11 million in 2011, or 0.7 percentage points of operating margin.

The division has also strengthened its sales and marketing resources to support the worldwide business recovery and strengthen its positioning in advance. Special efforts have been undertaken in future growth regions such as emerging countries and through the strengthening of resources focused on specific sectors such as mining, oil and gas, as well as the environment. The impact of strengthening the sales and marketing resources amounted to €1.9 million or 0.2 percentage points of operating margin.

Operating income for 2012 was also impacted by the following specific factors:

– Efforts made throughout the year to reduce delivery times and adapt to the volatility of final demand for €3.1 million (0.4 percent of operating margin)

– Significant quality events at suppliers which necessitated the implementation of specific corrective actions for €5.4 million (0.6 percentage points of margin). The most significant incident concerned a very limited number of machines. It required replacing a major component. The scope of the incident is known and the technical solution to solve the problem has been mastered. The interventions to upgrade will be fully completed in 2013.

– The organization of an exceptional communication event for €2.2 million (0.3 percent of operating margin)

Operating income amounted to €27.6 million. That amount corresponds to a margin of 3.2%, down 2.6% compared to the prior year.

The total of the specific costs for the full-year period is estimated to be €10 million reducing the operating margin of the division by 1.2 percentage points. They can be broken down as €3 million related to violent fluctuations in sales, €5 million associated with supplier quality incidents and €2 million related to communication events.

IMH DIVISION (INDUSTRIAL MATERIAL HANDLING) INCOME STATEMENT

The 2012 period saw the culmination of the creation and repositioning the division began in 2009. During that period, these efforts permitted the grouping of all of the division's human and industrial resources at the Beaupréau site.

From a marketing perspective, two major developments highlighted the year 2012:

– Firstly, the announcement of the end of the distribution agreement for Toyota products in France following 40 years of collaboration, a major issue that mobilized the teams to prepare for the repositioning of the division in France as of January 1, 2013;

– Secondly, the launch of the new MI range of industrial forklifts co-developed with our partner Hangcha: beginning of sales and marketing in 2012 in all regions with the exception of France where those products were only available as of January 1, 2013.

In 2012, the gross margin increased by 1.7 percentage points to 13.5%.

The more detailed management of selling prices contributed to the strengthening of the margin (+0.3 percentage points) as well as a more favourable product mix which was improved by the discontinuation of the old range of industrial trucks (+1.2 percentage points). Finally, structural cost savings resulting from the closure of the Saint-Ouen-Aumône site and the improved industrial efficiency of the Beaupreau site in 2012 (+0.3 percentage points) stabilized the financial profile of the division.

Sales, marketing and service resources have also been strengthened to anticipate and support commercial development outside France.

The division also organized an exceptional communication event for the launch of its new range of industrial forklifts (impacting the operating margin by 0.2 percentage points).

The gains from the sale of the industrial site of Saint-Ouen-Aumône following the transactions related to the closure of the site generated a non-recurring income of €1.1 million.

Recurring operating income for the division amounted to €2.6 million compared to a loss of €1.8 million in 2011. Operating income from continuing operations was thus at 1.6%.

CE DIVISION (COMPACT EQUIPMENT) INCOME STATEMENT

The CE division sales increased by 30% compared to 2011 following the rebound of 47% reported for the prior year. This momentum illustrates the division's gradual return to a more normalized level of business activity.

The gross margin decreased by 0.5 percentage points despite the positive effect of the increase in sales (+1.3 percentage points). It reflects the pressure generated by the arrival of the new interim Tier IV standard on engines (-1.5 percentage points) as well as the impact of strengthening the means of production which were put in place as a response to the increase in volumes and the launch of the Yanmar partnership (-1.0 percentage points).

The improved economic environment in North America, especially the recovery of the construction industry, has improved the collections on doubtful accounts receivable outstanding (+1.2% of operating margin). That favourable factor helps offset the cost of new selling and marketing resources put in place by the division over all geographic regions.

Operating income was €15.3 million or three times the 2011 amount. The operating margin was 6.2%, up 3.8% compared to 2011.

We were also pleased to note that, after the difficult results of 2009 and 2010, the division finished the period with the highest level of profitability among the group's three divisions.

2.2.3 FINANCIAL STRUCTURE

Receivables on sales financing for end users were mainly related to the financing programme for Gehl end users. These were reported as assets of €14 million (including both the current and the non-current portion), and decreased by 55% over the course of the full-year period as contracts either matured or were repaid in advance. In September of 2010, Gehl entered into a partnership with DLL Financials to put a new sales financing programme in place for end-users. The related receivables are without recourse and therefore not included in the consolidation. That change permits the group to no longer carry that type of financing on its own balance sheet as of October 1, 2010. The outstanding balance of sales financing receivables will gradually decline in line with the maturities on existing contracts or advance repayments. Furthermore, the refinancing of this type of receivable through lending institutions was reduced by 69% during 2012 and represents a remaining balance of €8 million in debt on accounts with limited recourse clauses.

The €378 million working capital from operations excluding receivables from sales financing amounted to a 15% increase driven by a 12% increase in sales revenues.

Expressed as the number of days sales, the working capital increased by 3 days to 108 days as compared to December 2011.

Inventories continue to include €29 million in Euro IIIA engines for the assembly of machines which comply with the EuroIIIA standard until the arrival of the new EuroIIIB compliant engines which will gradually be introduced in 2013 and 2014. The inventory of Euro IIIA engines was built intentionally in order to ensure the smooth transition to the change in standards. The group will favour the use of the Euro IIIA engines prior to making the transition to the new generation of cleaner but more expensive engines.

The reduced production in the 4th quarter led to a significant drop in accounts payable which decreased from 65 days' sales in 2011 to 43 in 2012.

Shareholders' equity increased by €29 million to €437 million. At December 31, 2012, it represented 51% of the total balance sheet amount. The change in shareholders' equity includes, among other items, the resumption of dividend payments of €12 million, following three years without dividends.

Driven by the growth in business activity, the increase in investments and the resumption of dividends, net debt amounted to €103 million, an increase of €18 million compared to December 2011. It represents a gearing ratio of 23.6%, up 2.6 percentage points versus the prior year.

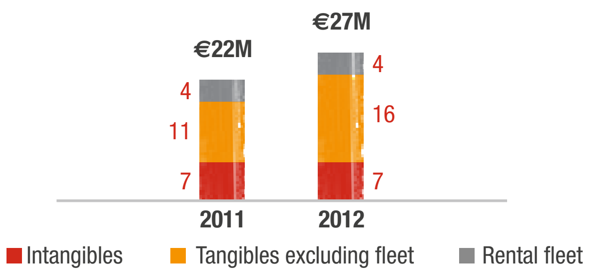
2.2.4 INVESTMENTS

Investments in 2012 amounted to €27.7 million compared to €22.1 million in 2011. They consisted of €4.0 million in capitalized development costs, €3.5 million of IT infrastructure, €6.1 million of infrastructure (including €3.4 million for the various Manitou BF sites), €5.4 million of industrial tooling, €3.7 million of rental fleet equipment and, finally, €5.0 million for other projects.

SUMMARY OF INVESTMENTS BY NATURE

	31.12.2011	31.12.2012
Development costs	4,814	4,034
Other intangible assets	1,912	3,463
Total intangible assets	**6,726**	**7,496**
Land	422	668
Buildings	691	2,476
Plant and equipment	4,937	5,412
Rental fleet	3,895	3,744
Other intangible assets excluding rental fleet	2,815	4,964
Property, plant and equipment in progress	2,169	2,964
Total tangible assets	**14,928**	**20,227**

As mentioned in paragraph 3.1.1 below, there is no line of credit specifically dedicated to investments which are funded by net cash and cash equivalents.



MAIN INVESTMENTS IN PROCESS

At the filing date of the registration document (filed at the AMF in French version only), there was no single significant project underway (that is to say, more than €3 million).

The group proceeded with acquisition of a building for its Singapore subsidiary for €8 million in January of 2013.

MAIN INVESTMENTS TO BE MADE

The main future investments relate to the on-going modernization of industrial facilities, the expansion or acquisition of buildings, the renewal of the rental fleet and the modernization of information systems. There was, at the filing date of this registration document (filed at the AMF in French version only), no single significant investment project underway.

For more information concerning the covenants limiting the amount of investments, please refer to section 3.1.1 of this document.

2.2.5 CASH FLOW FROM OPERATIONS

Cash flow from operations was €37.7 million in 2012 versus €49.4 million in 2011 and was unfavourably impacted by the decrease in operating income and the effect of the non-cash income. That amount was not enough to completely finance working capital requirements given the increase in uses (the impact of increased sales on working capital and the inventories of the EuroIIIA engines) and the decrease in accounts payable following the slowdown in production in the fourth quarter of 2012. The cash flow from operating activities was thus negative by €5.7 million.

The cash requirements were amplified by the net financing of investments amounting to €21.4 million and the dividend payment of €12 million.

2.2.6 MANITOU BF – THE PARENT COMPANY

FIGURES IN LOCAL STANDARDS

Sales revenues for the year increased by 10% to €851.3 million. Net income amounted to €39.8 million compared to €29.5 million in 2011.

The changes in income and expenses were impacted by changes in consolidation scope which took place in 2011 with the mergers of Aumont BSBH (January 2011), Compagnie Industrielle de Matériel de Manutention (October 2011) and Manitou Loc Manutention (December 2011) which contributed to the simplification of the French legal and operational structures.

The improvement in financial profitability resulted in an increase of €27 million in shareholders' equity to €448 million and an increase in net debt of €23.9 million.

MANITOU BF SALES

Manitou BF realizes 89% of its sales through the production and distribution of the RTH division's products, with the remaining 10% based on the IMH division's products and 1% based on the CE division's products. The RTH division's sales grew by 7%, the IMH division's by 25% and the CE division's by 64%. Regarding the regions, sales in Southern Europe decreased by 2% while increasing by 12% in Northern Europe, 34% in the Americas and 32% in the APAM region. Sales of spare parts and attachments totalled €128.6 million, an increase of 3% for the full-year period.

MANITOU BF INCOME

The gross profit margin increased by 0.2 percentage points to 28.1%. This reflects increases in selling prices introduced in 2011.

Changes on all income and expense items were impacted by the merger-absorption of Manitou BF with three of its subsidiaries during the year. After adjusting for those changes in consolidation scope, the operating expenses were driven by the strong growth in business activity as well as the reinforcement of resources and skills.

Operating income was reported at a loss of €8.5 million, as compared to income of €11.8 million in 2011.

The financial result increased by €23.8 million to €45.1 million. That improvement was primarily due to reversals of provisions on Manitou Americas' shares of €32.6 million after its 2012 financial situation was favourably impacted by the capitalization of its tax loss carry forwards and by the decrease in dividends received from €28.6 million in 2011 to €18.3 million in 2012.

After taking account exceptional items of €2.3 million and taxes of -€0.8 million, net income amounted to €39.8 million as compared to €29.5 million in 2011.

FIGURES IN IFRS

Manitou BF's main income statement indictors under IFRS reported sales of €840.5 million, recurring operating income of -€2.6 million and net income of +€8.4 million.

2.2.7 BUSINESS ACTIVITY AND INCOME OF MAIN AFFILIATES

MANITOU FINANCE FRANCE

This company, which is 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, is focused on offering financing, leasing and long-term rental solutions to end-users of Manitou and Toyota products in France.

In 2012, the entity generated financing of €56.0 million, flat as compared to 2011. Net income amounted to €1.7 million which resulted in €0.9 million of income reported using the equity method.

MANITOU FINANCE LTD

This company, which is 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, is focused on offering financing, leasing and long-term rental solutions to end-users of Manitou products in the UK as well as providing inventory financing solutions to dealerships.

Medium term financing thus generated amounted to €57.3 million in 2012. Net income after taxes of €0.9 million resulted in net income of €0.5 million being reported in the group's financial statement using the equity method.

2.2.8 OTHER INFORMATION RELATED TO THE 2012 PERIOD

SIMPLIFICATION OF THE GROUP'S ORGANISATIONAL STRUCTURES

The group continued to recast its legal and operational organisational structures to improve the sharing of resources and production assets:

In September of 2012, the merger of Manitou Costruzioni Industriali and OMCI Attachment took place. The new entity was renamed "Manitou Italia".

NON-DEDUCTIBLE EXPENSES REFERRED TO BY ARTICLES 39-4 AND 39-5 OF THE FRENCH GENERAL TAX CODE

In accordance with the provisions of Article 223 quater of the French General Tax Code, the financial statements for the year ended included the amount of €453,732 corresponding to amortisation and to the portion of directors' attendance fees that are non-deductible for income tax purposes.

INFORMATION ON MANITOU BF'S SUPPLIER PAYMENTS

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby report that the balance of supplier payables at the end of the year just ended, may be broken down by maturity date as follows:

In thousands of euros	**Balance at 31.12.2011**	**Balance at 31.12.2012**
Payable within 30 days	60,761	39,840
Payable within 45 days		
Payable within 60 days	42,503	39,879
Payable in over 60 days	4,595	2,599

INFORMATION ON ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The group's consolidated financial statements for the year ended 31.12.2012 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted within the European Union.

The financial statements for the year ended December 31, 2012 were reported by the group based on the same accounting principles as for the 2011 financial statements, according to IFRS.

With the exception of Manitou Finance Ltd, Manitou Finance France SAS, Algomat and Hangzhou Manitou Machinery Equipment, which were consolidated using the equity method, all companies were fully consolidated.

2.2.9 PRESENTATION OF FINANCIAL STATEMENTS AND DEFINITIONS

EXPLANATION OF REPORTING LINE ITEMS

SALES

Sales mainly consist of the sales of new handling equipment assembled within the group or acquired from third parties, of spare parts and attachments, of sub-contracts for industrial forklift truck masts, of equipment rentals, of equipment park management services and of other miscellaneous services.

COST OF SALES

Cost of sales is made up of the cost of goods and services sold which include the cost of materials and components, labour directly attributable to the goods or services, as well as all related operating costs of the production and logistics activities. The depreciation and amortisation of intangibles, equipment and materials allocated to production activities, the costs of contractual guarantees and provisions for the impairment of inventories are also included in the cost of sales.

GROSS MARGIN

Gross margin on cost of sales is the difference between sales and the cost of sales.

RESEARCH & DEVELOPMENT EXPENSES

Research and development expense consists of personnel expenses for persons assigned to the innovation, development, design, prototyping and improvement of products. The businesses frequently use external services as well as dedicated equipment and materials for which the depreciation is allocated to the function.

Research and development activities that meet the criteria of feasibility and innovation can be capitalized as an intangible asset and subsequently amortized as a cost of sales. Those expenses not meeting the capitalization criteria are recorded directly as expenses.

SALES AND MARKETING EXPENSES

Selling expenses consist primarily of personnel expenses and costs related to missions assigned to sales development, coordination of dealer networks, marketing and technical services. Sales commissions, advertising expense, trade shows, insurance expense, sales guarantees, travel expenses and the amortisation of associated infrastructure are also included on this line item.

ADMINISTRATIVE EXPENSES

Administrative expenses mainly consist of personnel expense and the costs associated with the support functions (human resources, finance, the general secretary function, etc.). The amortisation of the infrastructure associated with these functions is also included.

NON-RECURRING INCOME AND EXPENSES

The non-recurring income and expenses include the following items:

- Any impairment recorded,
- Restructuring costs,
- Other transactions on consolidated shares.

OPERATING INCOME OR OPERATING MARGIN

Operating income, which is also referred to as operating margin includes all recurring and non-recurring items described in the prior section. It remains comparable to operating income as previously reported by the group.

RECEIVABLES ON SALES FINANCING

Receivables on sales financing consist of financing provided to end-users to purchase the group's equipment. These customers are either key accounts or, most often, Manitou dealers' customers. The terms of financing may go up to 60 months.

Funding for equipment purchases on the company's own balance sheet was mainly performed by Gehl prior to its acquisition by Manitou. Since September of 2010, this method of financing has been replaced by a partnership with a third party financial institution. The new partnership, which excludes any investment by Manitou or recourse on accounts financed, no longer has any impact on the group's balance sheet and income statement. The residual portion of the remaining receivables mainly consists of accounts put in place by Gehl prior to September 2010. Those appear in the document under the title "sales with limited recourse".

FINANCIAL INDICATORS & OTHER DEFINITIONS

NET DEBT

Net debt is the difference between the sum of current and non-current financial liabilities and current assets including cash and cash equivalents.

EBITDA

Operating income +/- increases - reversals of amortisation and write-offs for impairment.

RECURRING EBITDA

Operating income – income and expenses on non-recurring items +/- increases - reversals of depreciation or amortisation and impairment.

GEARING

The financial ratio measuring the net debt divided by shareholders' equity.

LEVERAGE

A ratio which is calculated by dividing the amount of net debt at the end of the period by the rolling 12 month EBITDA. It permits the measurement of the debt amount as the number of years EBITDA.

WORKING CAPITAL FROM OPERATIONS

Inventories and work in progress + Customer receivables - Accounts payable - Other current liabilities.

Working capital from operations excludes sales financing receivables which do not change proportionally with operating activity.

EVENT OF DEFAULT

Materialization of the credit risk such as the bankruptcy of the reference entity, the default on payments and restructuring.

MATERIAL ADVERSE CHANGE

Any act, omission or event that individually or in the aggregate, has a material adverse effect on the assets, liabilities, financial position or operating income of the borrowing company and its subsidiaries, taken as a whole, or of the borrower taken individually.

NEGATIVE PLEDGE

Provision which prohibits a party to the contract to create security interests on certain specified assets.

CROSS DEFAULT

Safeguard clause which provides that if the company defaults on a loan, all facilities that include the cross default clause are considered in default. A trigger threshold is usually provided.

ORDER BOOK

The total of customer orders received however not yet delivered.

OEM

An Original Equipment Manufacturer (OEM) is a manufacturer of material handling equipment from which the group acquires the products it distributes under its own brands.

COMPARABILITY OF HISTORICAL DATA

In 2011, the group changed the presentation of its income statement from a presentation by nature to a presentation by function. This change in the presentation of the financial statements has no impact on the main income statement aggregates which remain totally identical to the definitions previously used. The following are the line items referred to:

- Sales
- Recurring operating income
- Operating income
- Financial income / expense
- Income tax
- Share of profit of associates
- Net income
- Net income attributable to the equity holders of the parent

2.2.10 OUTLOOK FOR THE 2013 PERIOD

Manitou confirms its outlook of stable sales revenues and operating margin in 2013, as efforts to recast operations offset the pressure on margins.

2.3 RESEARCH AND DEVELOPMENT

INFORMATION ON RESEARCH AND DEVELOPMENT

The mission of the Research and Development function is to be a creator and supplier of innovative perspectives and relevant solutions for each existing or potential client, through technical expertise and lasting partnerships.

In line with its strategy, the group continues to invest in innovation and product improvements. Its development teams are spread across six engineering and design departments, and represent more than 7% of group headcount. Development projects relate, on one hand, to technical innovation and the development of new concepts, and, on the other hand, to the development of existing ranges in order to prepare for regulatory changes.

During 2012, the IMH and RTH divisions presented three trucks concepts that incorporate innovations which will, for some of them, be integrated in the equipment as soon as 2015.

REGULATORY CHANGES

Equipment designed and distributed by the group are subject to various regulatory standards related to polluting emissions, noise, visibility, safety, electro mechanical compatibility, the environment, etc. The changes in standards are part of the normal constraints to Manitou and its competitors. The corresponding deadlines are known several years in advance.

The main upcoming changes in regulations are related to reductions in the polluting emissions of internal combustion engines as according to the following calendar:

- As of 2014: – the phased switch to either Euro IV or Tier IV standards on polluting emissions, with implementation dates linked to engine power.
- As of 2020: the gradual transition to Euro V.

The transition to the new emissions standards has been softened by two transitional measures:

– Flexibility clauses allowing manufacturers to assemble a quota of machines with engines meeting previous standards. In Europe, the quotas are determined on the basis of the average engine sizes of the same type marketed over the five prior years. In the United States, the quotas are determined based on the percentage of similar machines which comply with the new regulations. The flexibility clause permits manufacturers to continue to purchase the previous generation of engines subsequent to the effective date of the new standard.

– Pre-storage of engines. Manufacturers are authorized to sell their inventories of prior generation engines subsequent to the effective date of the new standard without them being imputed in the calculations made for the purpose of the flexibility clause mentioned above. In Europe, the inventories of previous generation engines must be exhausted within two years following the introduction of the new standard for equipment subject to the tractor directive (agricultural vehicles traveling on the roads) and with no time limit for equipment subject to the machine directive.

The engines which comply with the new standard are more expensive than the previous generation and Manitou cannot fully recover that cost through customer price increases as the cleaner engines do not provide any additional utility compared to older models.

Given the complexity of technological developments required, the planning for the development of new generation of engines has seen many slip-ups by the engine manufacturers. These delays have resulted in reducing the time available to integrate the new engines in the group's equipment.

Manitou therefore has an interest in increasing its inventories of the older generation engines prior to the transition to the new ones and delaying the transition in order to:

– avoid the stoppage of product offerings in those territories requiring that equipment which complies with the new rules, or the old generation equipment covered within the framework of transitional measures, is proposed within a certain date,

– have additional time to spread out the work of integrating new engines in the equipment and provide ourselves a contingency buffer for developmental delays from upstream engine manufacturers,

– maintain its margins,

– ensure the highest level of reliability in the engines at the engine manufacturers.

For more information about the risks associated with changes in standards, please refer to paragraph 3.2.6 entitled "Regulations and regulatory environment" of this document.

CHANGES IN DEVELOPMENT EXPENSES

	2011		2012	
In millions of euros and as a % of sales for the period	Amount	As a % of sales	Amount	As a % of sales
Capitalised expenses	4.8	0.4%	4.0	0.3%
Uncapitalised expenses and amortisation expense	16.6	1.2%	21.6	1.7%
Total	**21.4**	**1.6%**	**25.6**	**2.0%**

The group has voluntarily reinforced its research and development in order to respond to significant changes in its product plans in the coming years and to comply with changes in the standards related to its products.

NEW PRODUCTS

The group continues to renew its product lines to integrate the changes in regulatory standards required and to make substantial improvements for its users. The changes in regulatory standards alone drive a significant portion of the group's R&D efforts and constrain our innovation capacity.

Innovation within Manitou aims to provide innovative solutions for the machinery, the attachments and the associated services. It is driven by:

– studies permitting the improved understanding and command of the technological changes that affect the group's businesses,

– the continuous monitoring of technological developments achieved throughout peripheral business sectors (automotive, etc.)

– close collaboration with suppliers or institutions that develop innovative technological solutions.

It's also focused on meeting the needs of three types of customers that might use a machine:

– The owner, who expects performance and return on investment,

– The user, the driver, who expects safety, ergonomics and user-friendly operation,

– The person in charge of its maintenance, who expects reliability and a high level of associated services.

PATENTS AND LICENCES

The group holds a number of patents protecting the innovations applied by its various engineering and design departments.

The total number of active patents at the end of the 2012 year amounted to 65. In addition, 6 patent applications were filed in 2012.

No single patent is strategic for the group one by one. Therefore no major dependence upon any patent exists.

2.4 POST CLOSING EVENTS

EVOLUTION IN GOVERNANCE AND EXECUTIVE MANAGEMENT ANNOUNCED MARCH 6, 2013

In anticipation of the June deadline, the Board of Directors is announcing that 2 new members will be proposed to the shareholders' vote on June 28th, together with the reelection of all other current members: Mr. Marcel-Claude Braud will replace Mr. Serge Ghysdael and a new female Board member will replace Mr. Dominique Bamas. Mr. Marcel Braud will continue as non-executive Chairman and Mrs. Jacqueline Himsworth as vice-Chairwoman.

Also, the Board of Directors is announcing that Mr. Jean-Christophe Giroux, President & CEO since June 2009, is stepping down today in anticipation of his term of office expiring at the forthcoming June 28 AGM. He is being replaced on an interim basis by Mr. Dominique Bamas, an independent Board member since June 2009 who has been acquainted with the company for 25 years. Mr. Henri Brisse, who had joined in September 2011 as worldwide VP Sales & Marketing, is also leaving the company and will be replaced by Mr François Frédéric Piffard.

The Board has paid Mr. Giroux a unanimous tribute for weathering the 2009 storm, for initiating all necessary reforms, and for successfully repositioning the CE and IMH divisions on new trajectories. At the same time, the Board believes that the new environment calls more for an operational focus, with a better balance between profitability and development. Mr. Giroux will stay on thru March 31 to facilitate the transition.

Mr. Marcel Braud, Chairman of the Board declared "We are starting a new chapter of our history, which could not have been possible without Mr. Giroux's action since 2009. Many changes were necessary but after 3 years of transformation, we now need to take a pause and reflect on our priorities. Mr. Bamas will help us consolidate our progresses for a few months while we'll be searching for the new leader. I also wish to express our gratitude to Mr. Ghysdael, who has been accompanying Manitou for ten years. In the name of all family members, and the entire Board of Directors, I want to reaffirm our commitment to all our dealers and customers in terms of operating performance and human proximity."

PRESS RELEASE ON 1ST QUARTER 2013 SALES REVENUES

The company disclosed sales revenue for the first quarter of 2013 on April 25, 2013 as indicated below:

"Q1 2013 revenue : sales pause, demand remains solid

– Revenue in Q1 2013 of €272 million, down 14% versus Q1 2012

– Record order intake at the end of Q1 over a four quarter period (9,100 units)

– Increase in the order backlog

– Acceleration of RTH equipment production

– Continued development of governance

– Confirmation of full-year 2013 revenue at the same level as 2012 sales

Ancenis, April 25, 2013 – Dominique Bamas, CEO stated: "The pause in Q1 revenue resulted from the natural flow of the vacuum in order intake recorded in the third quarter of 2012. It's not representative of current demand which continues to be strong, although remaining volatile. Excluding the impact of the termination of the Toyota contract at the end of 2012 in France, two of our three divisions continued to grow as compared to the first quarter of 2012. So instead of only focusing on revenue, we're happily focusing on our first quarter order intake, which reached its highest level in a year, and we're organizing ourselves accordingly.

Our order book is growing and, this time, we're adjusting our production rate upwards. Each change in the cycle represents an effort for us, but our continued work to reform permits us to get through these cycles better and better.

The solid strength of final demand, and the acceleration of operations, therefore permit us to maintain our objective of stable revenue for 2013."

Net sales by division

		Year-on-year			Sequentially	
€ in millions	Q1 2012	Q1 2013	% Change	Q4 2012	Q1 2013	% Change
RTH	221.4	171.9	(22)%	196.7	171.9	(13)%
IMH	40.7	35.1	(14)%*	42.2	35.1	(17)%
CE	53.6	64.8	21%	67.4	64.8	(4)%
Total	**315.7**	**271.8**	**(14)%**	**306.2**	**271.8**	**(11)%**

* IMH + 6% versus Q1 2012 on a comparable basis

Net sales by region

€ in millions	Year-on-year Q1 2012	Year-on-year Q1 2013	Year-on-year % Change	Sequentially Q4 2012	Sequentially Q1 2013	Sequentially % Change
Southern Europe	121.3	97.3	(20)%	101.6	97.3	(4)%
Northern Europe	109.5	79.8	(27)%	95.1	79.8	(16)%
Americas	54.0	64.6	20%	69.9	64.6	(8)%
APAM	30.9	30.2	(2)%	39.7	30.2	(24)%
Total	**315.7**	**271.8**	**(14)%**	**306.2**	**271.8**	**(11)%**

DIVISIONAL REVIEW

• With revenue of €171.9m, the **Rough Terrain Handling Division (RTH)** recorded a decrease in sales of 22% as compared to Q1 2012. The decrease in sales was due to the sharp fall in orders recorded in Q3 2012 and the gradual return to increased production rates. The European continent was affected the most by the slowdown in revenue, which occurred in spite of the increasing growth of order intake.

• The Industrial **Material Handling Division (IMH)** realized quarterly revenue of €35.1m, a decrease of 14% compared to Q1 2012. Excluding the impact of the termination of the Toyota distribution contract, for which the full impact will not be felt until Q2 2013, the division reported growth of +6% compared to Q1 2012. In response to that trend, the division launched its new range of industrial trucks in France, thus profiting from a unique product range for all territories for the first time.

• The **Compact Equipment Division (CE)** reported an increase of 21% in revenue, when compared to Q1 2012, to €64.8m. In North America, sales remained strong under the expectation of the marked presence of rental companies in the second half of the year. In Europe, all markets affected by the sluggish economy recorded decreases, with a recovery in Italy nonetheless, which is the largest market for skidsteers on the continent.

CONTINUED DEVELOPMENT OF GOVERNANCE

• The arrival of Agnès Michel-Segalen in the Board of directors,

Agnès Michel-Segalen has now joined the Board of directors as Board member and audit committee member thereby replacing Dominique Bamas. Her nomination will be proposed at the Shareholders' Meeting on June 28.

Agnes Michel-Segalen, IEP Paris, with a Graduate Degree in History, has worked as an auditor at Arthur Andersen and the Lagardère Group and afterwards within the financial function and the mergers & acquisitions function at EADS and the Sodexo Group. Since 2011, she has been exercising the activities of a notary trainee.

• Changes in the executive management team

As an extension to the transition launched on March 6, 2013, Hervé Saulais, the General Secretary, will leave the group by mutual agreement at the end of the first-half of 2013.

Hervé Rochet, the group's Chief Financial Officer since 2005, has combined his previous permiter with the responsibility of General Secretary.

François-Frédéric Piffard was appointed VP of Sales and Marketing, thereby combining the responsibilities with his previous position as VP of New Business. François-Frédéric Piffard has been working within the group since 1990 and enormously contributed to the success of our international sales.

Dominique Bamas, CEO, stated: "The Manitou Group thanks Hervé Saulais for his contribution to the recovery and development of the group in recent years. In the current period of the consolidation of our functions, I am choosing a closely knit team with intimate knowledge of the group, its customers, its employees and its history".

3. RISK FACTORS AND RISK MANAGEMENT

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3.2 Operational risks 32

3.3 Other risks 36

3.4 Risks covered by insurance 36

The chapter "Risk factors and risk management" is an integral part of note 7.10 of the consolidated financial statements.

The Company has performed a review of risks that could have a material adverse impact on its business, financial position or income (or its ability to achieve its objectives). It does not believe there to be any material risks other than those presented here.

3.1 FINANCIAL RISKS

The finance department of the parent company and of each subsidiary are responsible for assessing, controlling and overseeing financial risks. All strategic decisions related to the policy for hedging the group's financial risks are managed by the finance department within the framework of a financial risk management committee.

Note 7.10 of the notes to the consolidated financial statements refers to the paragraph above on financial risks.

3.1.1 FINANCING AND LIQUIDITY RISKS

Financing risk

Difficulty or the partial or total inability to renew existing funding or to obtain new financing. Financing risks could impact the group's ability to respect its payment commitments, the group's financing costs or result in restrictive covenants on its financing.

Liquidity risk

The impossibility of meeting a payment obligation at its due date.

Management of funding and liquidity risks

The finance department's mission is to ensure the financing and liquidity of the group, cost-effectively and under the best conditions.

The group obtains most of its funding needs through bank financing (syndicated lines of credit or overdrafts) and, in 2012, began the diversification of its financing sources by issuing a bond for the first time.

The means to obtain long-term financing are mainly concentrated within the parent company. The amount of bank lines of credit and ordinary bank overdrafts amounted to €179 million at 31.12.2012, of which €44 million were used at 31.12.2012.

September 2008 credit agreement

Signed by Manitou BF and its banking pool for a period of 5 years. All borrowing facilities are accompanied by clauses covering ratios (covenants) or "material adverse changes"* or "event of default"*. These clauses may limit the company's ability to use these facilities or affect their expiry dates. The contracts include "Negative Pledge" clauses relating to assets not provided as security and accompanied by an exemption threshold.

The use of certain facilities is contingent upon cross guarantees being put in place with creditors.

Financing by Manitou BF to its subsidiary Manitou Americas is limited by a ceiling of 45 million US dollars.

The covenants related to all funding were respected at 31.12.2012. No significant changes to the lines of credit took place since December 31, 2011. The existing lines will cover all financing needs over the next 12 months.

The renewal of credit in 2013

The company is actively working to renew financing expiring September 4, 2013. It doesn't foresee any particular difficulty to achieve that, the occurrence of extreme economic events notwithstanding.

Bank overdrafts

The group has bank overdraft lines available that enable it to ensure short term liquidity suited to its needs.

The company increased its overdraft lines to €105 million in 2012 in order to arrange the renewal of its syndicated loan in a serene atmosphere. The amount of bank overdraft lines will be further adjusted once the new syndicated loan is in place.

The company conducted a review of its liquidity risk and, at the filing date of this registration document (filed at the AMF in French version only), believes that it is able to meet outstanding maturities under the condition that those lines are renewed at their maturity dates (which are mainly in September of 2013).

* Terminology defined in paragraph 2.2.9 of this document.

ASSETS AND LIABILITIES ASSOCIATED WITH FINANCING ACTIVITIES: MATURITY SCHEDULE AS AT DECEMBER 31

Facility *In millions*	Beneficiaries	Maturity	Amount in local currency	Amount in euros	Use at 31.12.12	Less than 1 year	From 1 to 5 years	Over 5 years
Term Loan A	Manitou BF	Sept.13	58	58	58	58		
Revolving facility B	Manitou BF	Sept.13	40	40	20	20		
Revolving facility C* *multicurrency ($/€)*	Manitou BF	Sept.13	45	34				
Bond (Micado)	Manitou BF	Oct.18			7		7	
Other**	Miscellaneous			105	24	24		
Sales financing debt ***	Manitou Americas		11	8	8	6	2	
Group total				**245**	**117**	**108**	**9**	
Finance leases and others					6			
Derivatives					1			
Minority puts					4			
Total financial debt					**128**			
Cash and financial assets					25			
Total net debt					**103**			

* $45 million or the equivalent in euros

** Ordinary bank overdrafts or lines of credit

*** See paragraph 2.2.3 "Financial structure" for further information.

The bank margin applied fluctuates from 70 to 300 basis points for the lines A and B and from 65 to 250 basis points for the line C, based on the leverage ratio ranging from 0.5 to 3.5. At 31.12.2012, the leverage ratio amounted to 1.54.

Apart from the term loan A associated with the acquisition of Gehl and liabilities related to sales financing activities, the various lines mentioned above are intended to finance all group transactions (General purpose).

At 31.12.2012, the maturity schedule of assets and liabilities related to financing totalled €245 million, of which, €117 million were used at this day. It should also be noted that the group has ordinary bank overdrafts available in the amount of €105 million as of the publishing date of this document (excluding the term loan and debt related to the financing of sales). For more information, please refer to section 8.1.7 of this document.

SUMMARY OF COVENANTS ASSOCIATED WITH LINES OF CREDIT

Facility	Signatory	Main contractual clauses H2 2012 and H1 2013
Facilities A / B	Manitou BF	Gearing < 1 Excess Cash Flow Cap on investments Cap on acquisitions Not accessible to Manitou Americas Leverage < 2.5
Facility C	Manitou BF	Same as A and B Daily cross guarantee on Manitou BF receivables Manitou Americas financing ≤ €45 million

Note 7.7 "Current and non-current financial liabilities" of the notes to the consolidated financial statements provide a detailed breakdown of all group debts.

3.1.2 INTEREST RATE RISK

Interest rate risk: Gross debt is mostly long-term and originally obtained at partially fixed and partially variable rates. Interest rate risk relates to the impact of changes in interest rates on the financial expenses of the group.

Interest rate risk management

The interest rate management policy is coordinated and controlled by the finance department of the parent company with the objective of protecting cash flow and optimizing and reducing volatility and financial expenses.

The group uses various market instruments including interest rate swap contracts.

LINES OF CREDIT

The group has financial debt which was assumed for the acquisition of Gehl and for the general financing of its operations. These commitments carry a variable interest rate. The risk of changes in interest rates has been partially covered by various financial instruments (variable/fixed interest rate swaps, variable/variable interest rate swaps, etc.).

The company, its subsidiaries and its affiliates are mainly exposed to interest rate risk through the following:

The risk that the interest rate on the unhedged portion of the loans may increase in the future cannot be excluded. That could have a negative impact on net income and the financial position of the group.

The sensitivity of the acquisition debt and the hedging coverage are shown in the following table. The sensitivity analysis below illustrates the impact on pre-tax income. No impact on equity was noted.

TABLE OF INTEREST RATE SENSITIVITY AND HEDGING COVERAGE OF THE GEHL ACQUISITION DEBT

Hedging on acquisition debt		**Hedging rates**			**Impact of a +/- change in interest rates* of 0.5%**
	Nominal	Fixed Coverage	Cap	Total	
31.12.2012	58	72%	28%	100%	€0.1M
31.12.2013**	0	na	na	na	na

* Based on the Eurobor 1 month rate of 0.109% and the Euribor 3-month rate of 0.187% on the December 31, 2012 (pre-tax impact on income).

** Maturity of the acquisition debt: September 2013

For further details, please refer to Notes 7.7.1 and 7.8 of the notes to the consolidated financial statements.

INVESTMENTS IN SALES FINANCING AFFILIATES

The sales financing activity which is performed through the Manitou Finance Ltd. and Manitou Finance France SAS affiliates remains sensitive to financing and refinancing rates. The main risk associated with this activity is the ability to correlate the financing and refinancing rates. The risk is limited to the value of investments in affiliates included in the group's equity. Both companies are 49% owned by Manitou and 51% by BNP Paribas Leasing Solution. For further details, please refer to note 6 of the notes to the consolidated financial statements.

3.1.3 EXCHANGE RATE RISK

Exchange rate risk: Corresponds to the impact of currency fluctuations on income, the balance sheet and/or cash flow. Currency risks occurs either during the performance of transactions or through the exposure to conversion risks.

Currency risk on transactions: Appears when purchases or sales are made in a currency other than the functional currency of the entity performing the transaction.

The group strives to minimise each entity's exchange risk relative to its functional currency. The finance departments of the parent company or the subsidiaries provide hedging on significant cash flows for the amount of their net currency exposure and after the evaluation of purchases made in foreign currencies.

In 2012, the Manitou Group invoiced approximately 37% of its sales in foreign currencies, mainly in US dollars (18.4%), Pound sterling (7.9%), South African rands (3.2%) and Australian dollars (3.9%), the other currencies being Singapore dollars, Russian rubles, Polish zloties, and Chinese yuans. In 2012, exchange rate hedges mainly consisted of forward purchases on US dollars and forward sales on pound sterling and Australian dollars as well as term purchase options on US dollars.

A significant change in exchange rates could affect the group's income through the impact of currency conversions in general, however, also through the impact of the pressure it might place on sales prices in certain geographic regions.

A sensitivity analysis was performed based on outstanding receivables, debt, cash and cash equivalents and financial assets available for sale as of 31.12.2012, for the major currencies used by the group within the framework of its business.

The sensitivity corresponds to a variance of plus or minus 5% on the value of the currencies concerned as compared to their rates at the year-end closing date.

Receivables and debt denominated in foreign currencies *Detail by functional currency*	**AUD/EUR +5%**	**GBP/EUR +5%**	**USD/EUR +5%**	**ZAR/EUR +5%**
EUR				
Receivables (AUD, GBP, USD, ZAR)	635	478	152	358
Debt (AUD, GBP, USD, ZAR)	(398)	(338)	(215)	
Cash and cash equivalents (AUD, GBP, USD, ZAR)	400	244	505	
S/ Total	636	384	441	358
USD				
Receivables (EUR)			(125)	
Debt (EUR)			103	
Cash and cash equivalents (EUR)			(7)	
S/ Total			(30)	
GBP				
Receivables (EUR)		(32)		
Debt (EUR)		24		
Cash and cash equivalents (EUR)		(11)		
S/ Total		(18)		
ZAR				
Receivables (EUR)				
Debt (EUR)				199
Cash and cash equivalents (EUR)				(6)
S/ Total				193
Total	**636**	**365**	**412**	**551**

The net position in major foreign currencies against the euro of the business operations is as follows:

Vs EUR

In thousands of euros	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
AUD	19,656	(7,569)	12,087	(18,880)	(6,793)
GBP	13,710	(6,422)	7,288	(13,380)	(6,092)
USD	12,465	(4,079)	8,386	26,148	34,534
ZAR	6,798		6,798	(5,445)	1,353
Other currencies	714	(10)	704		704
Total	**53,343**	**(18,080)**	**35,263**	**(11,557)**	**23,706**

Vs USD

In thousands of euros	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
EUR	2,778	(2,154)	624		624
Other currencies					
Total	**2,778**	**(2,154)**	**624**		**624**

Vs GBP

In thousands of euros	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
EUR	892	(505)	387		387
Other currencies					
Total	**892**	**(505)**	**387**		**387**

* In addition to the open positions on 31.12.2012, the group hedged a portion of its future operating transactions in foreign currencies. Derivatives instruments contracted for these future transactions are classified as cash flow hedges whenever hedging relationships as defined in IAS 39 exist. No impact on equity was noted. For more information, please refer to chapter 8.1.7, note 7.8 in the notes to the consolidated financial statements at 31.12.12.

Currency translation risk on the income statement

Exchange rate fluctuations impact the consolidated income through the translation of the subsidiaries' income statements from foreign currencies to euros.

The group does not cover that type of risk

Currency	Sales	Operating income	Net income
USD	233	20	36
GBP	100	3	3
ZAR	40	5	4
AUD	49	2	1
Other	39	0	0
Total	**462**	**30**	**44**

Currency translation risk on the balance sheet: Relative to the conversion into euros of the net investment (equity) in group companies or foreign holdings that impact the balance sheet position of the consolidated financial statements. The group does not cover that type of risk.

SENSITIVITY ANALYSIS

Currency	Net investment	% Covered	Impact of a 5% fluctuation in the euro on shareholders' equity
USD	129	0%	-6,2
GBP	7	0%	-0.3
ZAR	14	0%	-0.7
AUD	4	0%	-0.2
Other	11	0%	-0.5
Total	**165**		**-7,9**

3.1.4 CREDIT RISK

Credit risk is the risk that a counterpart might default on its contractual commitments or the risk related to the collection of receivables.

The group is exposed to credit risks in the framework of its operating and financing activities. Its maximum exposure to credit risk is represented by the value of financial assets as reported in the balance sheet and detailed below.

In millions of euros	**2011**	**2012**
Sales financing receivables	32	14
Accounts receivable and related	239	224
Other receivables	34	34
Cash and cash equivalents	43	22
Total	**348**	**294**

CREDIT RISK MANAGEMENT OF FINANCING RECEIVABLES FROM SALES TO END USERS (MANITOU AMERICAS)

The management of financing receivables from sales to end users is performed by the finance department of Manitou Americas, independently of the company's sales management. Procedures are in place defining the department's operating methods, valuation rules and the delegated powers. The financing of Manitou Americas' sales has been outsourced to a partner bank since September 2010. Receivables reported as assets on Manitou Americas' balance sheet are only related to contracts existing prior to that date which are gradually declining as they reach their due dates. Nevertheless, the group reserves the possibility of obtaining refinancing on receivables with recourse.

The management of doubtful accounts is subject to strict procedures and customer accounts are individually monitored. The objective of that procedure is to permit repayment of the unpaid amounts or quickly recover the associated equipment through friendly or legal means.

CREDIT RISK MANAGEMENT

Customer risk is managed by each entity's finance department. The largest of these departments have dedicated credit management teams. Each entity puts in place management procedures, measurement instruments and impairment rules related to its outstanding customer accounts receivable. The most sensitive cases are monitored and handled together with the parent company's credit management department.

In most entities, credit risk is partly or fully covered by credit insurance. Credit risk may also be offset or limited using specific guarantees or security.

It should also be noted that the group has a very fragmented customer base, with no single customer representing more than 1.8% of total consolidated sales.

The financial department also ensures that counterparty bank risk is spread over leading financial institutions. For further information, please refer to chapter 8.1.7, note 9 of the notes to the consolidated financial statements at 31.12.12.

3.1.5 RISKS RELATED TO SHARES AND OTHER FINANCIAL INSTRUMENTS

None

3.1.6 RISK RELATED TO EMPLOYEE BENEFITS

The group offers certain employees defined benefit plans: severance pay at retirement, service awards, pension and retirement plans for certain employees, executive retirement plans for certain managers in the U.S. and post-employment healthcare plans and life insurance.

These defined benefit plans are most often partially covered by funds paid to insurance companies that invest in various instruments such as stocks, bonds, real estate or other. Unfavourable changes in the value of plan assets expose the group to make additional payments to meet the minimum coverage requirements of some plans or to respect its commitments.

For more information, please refer to Note 1.17 and 15 in the notes to the consolidated financial statements at 31.12.2012.

3.2 OPERATIONAL RISKS

The group is exposed to risks linked to the existence of economic cycles in its various markets, risks associated with an increase in the price of commodities, components and energy, and risks associated with customers related to the portion of its receivables not covered by credit insurance.

Concerning the cyclicity of markets related to the business segments, please refer to sections 2.1.2 (breakdown of sales by business sector) and 3.2.4 (country risk).

3.2.1 SUPPLIER RISK

The group specialises in the design and assembly of handling equipment. Purchases of commodities and components, which represent around 70% of group sales, have a preponderant impact on the group's industrial know-how and profitability.

Limitations in the capacity of certain suppliers' production facilities, or their lack of sufficient resources to finance their development or to overcome any volatility in their business, represent risks for the parent company and its subsidiaries.

Some supplier's failures have led to partial shutdowns of factories as well as delays in the production or development of Manitou products.

The group continued to experience difficulties in 2012 obtaining certain components. This situation brought the group to accelerate the recasting of its supplier network.

Manitou is not totally dependent on any supplier however the replacement of a supplier can require a long process of selection and qualification. The substitution becomes even more complicated if the organ concerned is complex (engines, axles, cabins…).

The management of supplier risk is organised around the following key activities:

– mapping suppliers to measure their criticality,

– a classification of their performance in order to identify the most critical and define action plans for each of them,

– financial grading of key suppliers based on the analysis of financial information,

– monitoring audits by the purchasing and quality departments to check available capacity and suppliers' ability to meet the group's needs in terms of quality, costs and deadlines,

– a replacement or backup plan on the most sensitive supplies.

Within the RTH and IMH divisions, the axes identified to improve the reliability of suppliers' are:

– the strengthening of contractual arrangements with key suppliers,

– the implementation of a supplier rating system from which the qualification and certification levels are provided,

– the strengthening of the performance measurement tools and the follow-up on action plans,

– the recasting of the supplier network as defined for each product family of purchases based on precise and measurable specifications. The objective of the project is to drastically reduce the number of suppliers over several years while expanding the geographical region they cover.

In this context, Manitou carried on the "Synapse" plan in collaboration with the administrative, financial and economic authorities of the Pays de la Loire region in France in order to promote the strengthening of the handling industry sector revolving around the group's French production sites. The objective of the exercise is to help suppliers identify ways to strengthen their financial position and diversify their economic development: the search for new markets, product diversification, etc.

	Portion of materials purchased from the top 10 suppliers in 2012 (%)
1st	8%
Top 5	18%
Top 10	26%

3.2.2 RISKS RELATED TO RAW MATERIAL AND COMPONENT PRICES

The group is exposed to risk related to raw materials, either directly through its purchases of materials or indirectly through components purchased from its suppliers.

As the cost of commodities and components represents a predominant proportion of the product costs of the equipment manufactured, the group is significantly exposed to fluctuations in its purchasing costs. Any significant and lasting increase in the purchasing cost of commodities and components could be a burden on the company's profitability.

The group does not use commodity hedging instruments for the following reasons:

A finished product consists of between 1,500 to 2,000 basic components. The portion of added value provided by suppliers in the unit value of each component varies greatly depending on the level of processing integrated into each article.

This very diffuse spectrum, which is associated with change order clauses or the renegotiation of purchase prices by suppliers, directly influences the relationship between purchase price changes as compared to changes in commodity prices.

The main components included in the manufacturing of equipment are:

- steel or tinplate parts, raw materials or pre-cut,
- hydraulic systems (engines, pumps, hoses, cylinders),
- internal combustion or electrical engines,
- other mechanical components (transmissions, gear boxes),
- the cabins.

The main supplier represents only 8% of total equipment and component purchases.

Evolving technical standards require technical changes according to a schedule specified by law (for example: new reduced emission engines). Delays in the deliveries by suppliers of certain components which comply with new regulations could lead Manitou to a rupture of products affected by the new standards in the applicable territories.

3.2.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

The main industrial risks are mainly limited to those that could result from fire or explosion at a specific site. The group has ten production or assembly sites throughout the world, specialized by product range, and two central distribution platforms for spare parts. Its main production units are the Ancenis site in France, the Castelfranco site in Italy and the Yankton and Madison sites in the United States. The centre is located in Ancenis in several buildings, some of which are nearly a kilometre apart.

Significant resources have been put in place at the main manufacturing sites and the Spare Parts Logistics Centre to guard against these risks and contain their immediate effects.

The environmental management of the Ancenis site was defined by a prefectural decree in 2008. It also specifies that the storage and management of hazardous materials is generally to be performed with third party service providers which specialize in that field. No obligations to dismantle or refurbish sites exist.

PRODUCT QUALITY RISK

Equipment manufactured by the group are based on complex technologies such as embedded hydraulics or electronics. To control the quality and reliability of this production, the group's main production sites are equipped with an ISO 9001 certified quality system, which ensures the quality and reliability of manufactured equipment.

For new products, a product validation plan has been put in place to control the quality of components and respect the bill of materials regarding reliability and safety.

The plan to strengthen the quality of the RTH division's products, which began in 2009, led to an increase in the level of requirements on suppliers and on the production and assembly teams.

Despite the significant resources put in place, the parent company and its subsidiaries cannot guarantee that delays or errors in the design or industrial assembly will not occur on existing or future ranges. Should any such events occur, they could have an impact on net income and the financial position of the group.

For more information, please refer to Section 2.3 of this document.

DEPENDENCE UPON THE EFFECTIVE OPERATION OF IT SYSTEMS

Most functions and organizational processes are based on the tools, software and technical infrastructure interconnecting the various sites.

The main risks are the interruption of computer system services, confidentiality and data integrity, and the group's ability to manage the implementation of its new IT systems.

The group is gradually implementing standardized tools within the various entities.

In 2012, the parent company completed the updating of its ERP version.

3.2.4 BUSINESS RISKS

RISK OF THE NON-RENEWAL OF MAJOR CONTRACTS

CHANGE IN THE COMMERCIAL DISTRIBUTION PARTNERSHIP WITH TOYOTA

Toyota Material Handling Europe and Manitou announced in January of 2012 that they have jointly decided not to renew the exclusive distribution agreement for Toyota-branded Industrial Material-Handling in France as of January 1st, 2013. Both groups believe that the current business model is no longer adapted to further market development, and wish to enforce a clearer brand strategy that will be consistent across Europe. The group would like to market a line of industrial products under a single Manitou brand name. That line was launched in February 2012 abroad and in January 2013 in France.

The activities of both groups continued normally until December 31, 2012 and it was specified that the Manitou Group's order backlog of industrial forklifts at December 31, 2012 may be invoiced by the Manitou Group until March 31, 2013.

RISK OF THE NON-RENEWAL OF A MAJOR CONTRACT

At 31.12.2012, the Manitou Group had two major contracts which, if not renewed upon expiry, could affect its operating income and financial position.

MAST SUB-CONTRACTING CONTRACT WITH TOYOTA

This contract, which is related to the sub-contracting of mast assembly on behalf of Toyota Industrial Equipment, represented sales of €22.1 million in 2012. The assembly contract, which has been in effect since 1995, was renewed in July of 2007 to cover the entire production life of the Toyota Tonero line of trucks. Although we make no assessment on the expected life of the Tonero, the life of the previous line was about 6 to 7 years.

NEW PARTNERSHIP WITH YANMAR

Manitou announced in January 2012 a new partnership, for a period of 5 years with Yanmar, the Japanese engineering group which is also involved in the manufacturing of construction equipment. Under a cross agreement targeting the United States, Manitou Americas will distribute Yanmar's compact excavators under the Gehl and Mustang brand names, while Yanmar Americas will distribute Compact Equipment skid steers under its brand name. This partnership also strengthens the existing technical collaboration of both organizations in terms of engines.

COUNTRY RISK

The group distributes its products in more than 120 countries through a network of independent dealers. The emergence of a banking, economic, financial or political crisis could have an impact on the financial position of the group and its operating income.

A poor economic environment is likely to influence the activities of the group and thus its financial results. Thus, periods of reduced economic activity and, to a greater extent, periods of crisis may contribute to a significant drop in demand in one or more regional markets. At the beginning of 2012, the group redefined the organizational scope of its business around four large regions: Southern Europe, Northern Europe, the Americas and the APAM region (including the Asia, Pacific, Africa & Middle-East territories). The distribution of sales revenues under the new model is as follows:

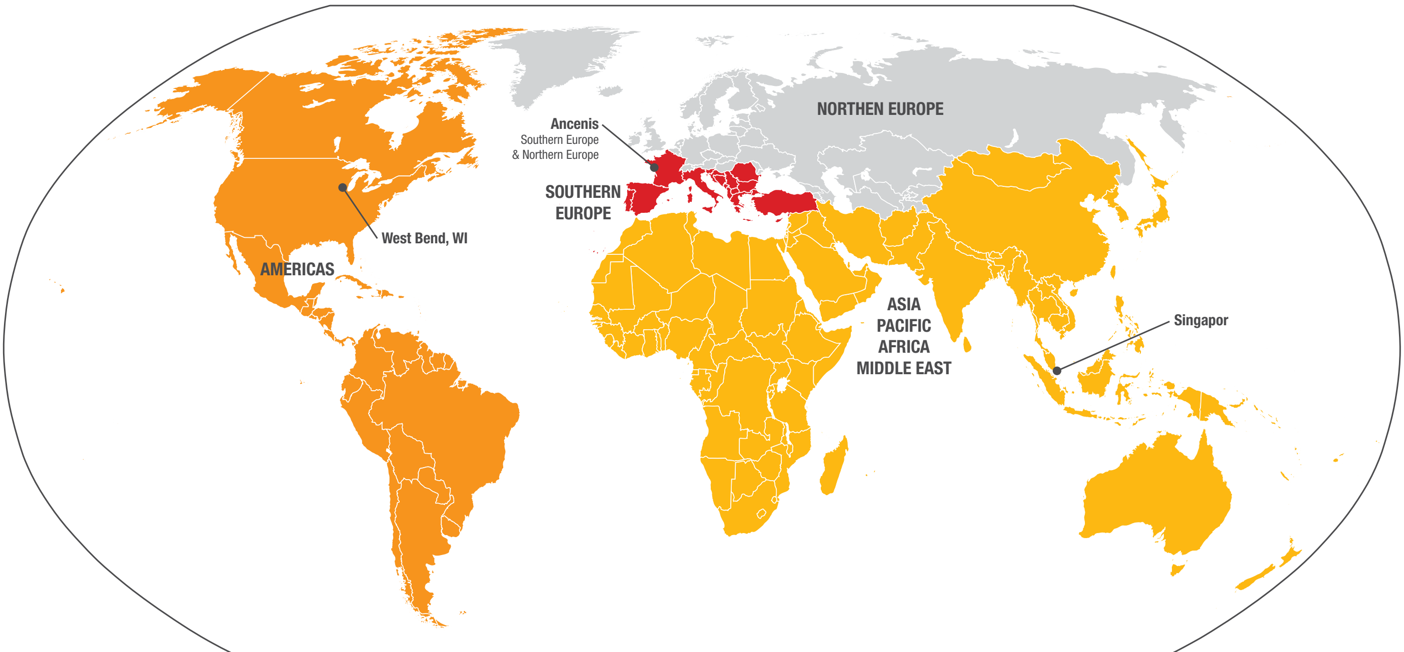
2011 Revenue					In millions of euros and as a % of total	**2012 Revenue**				
Southern Europe	Northern Europe	Americas	APAM ****	**Total**		Southern Europe	Northern Europe	Americas	APAM ****	**Total**
335.4 *30%*	329.7 *29%*	42.1 *4%*	89.1 *8%*	**796.3** ***70%***	RTH *	317.7 *25%*	360.0 *28%*	58.0 *5%*	120.9 *10%*	**856.6** ***68%***
116.4 *10%*	15.2 *1%*	4.3 *0%*	11.1 *1%*	**146.9** ***13%***	IMH **	120.5 *10%*	22.9 *2%*	5.5 *0%*	14.1 *1%*	**162.9** ***13%***
10.2 *1%*	28.2 *2%*	131.8 *12%*	17.8 *2%*	**187.9** ***17%***	CE ***	7.1 *1%*	33.3 *3%*	186.2 *15%*	18.7 *1%*	**245.2** ***19%***
462.0 ***41%***	**373.1** ***33%***	**178.1** ***16%***	**117.9** ***10%***	**1,131.1** ***100%***	**Total**	**445.3** ***35%***	**416.1** ***33%***	**249.7** ***20%***	**153.7** ***12%***	**1,264.8** ***100%***

*RTH: Rough Terrain Handling Division

**IMH: Industrial Material Handling Division

*** CE: Compact Equipment Division

****APAM: Asia, Pacific, Africa, Middle-East



Geographical regions and their respective management centres.

This geographical split is based on the group's creation of a new sales organization which was effective as of January 1, 2012. The group's activities in certain countries carry risks, notably: GDP volatility, economic and political instability, potential social unrest, regulatory changes, customer payment difficulties, significant fluctuations in interest rates and foreign exchange rates, lack of liquidity in foreign currency and currency exchange controls. For more information concerning risk management for distributors, please refer to section 3.1.4, Credit risk. It should be noted that the largest distributor or direct customer represents less than 2% of the group's sales revenues.

3.2.5 CUSTOMER RISKS RELATED TO THE PORTION OF RECEIVABLES NOT COVERED BY INSURANCE

In the framework of its business, the group is exposed to the insolvency risk of its customers for the portion of receivables which are not covered by insurance.

A central credit management function has been assigned the mission of supporting the sales and marketing subsidiaries in the treatment of the more technical or sensitive accounts on an ad-hoc basis.

3.2.6 LEGAL RISK

REGULATIONS AND THE REGULATORY ENVIRONMENT

The group designs, assembles and distributes high technology products that meet the standards set by administrative authorities as well as national and supranational organizations.

Changes in standards and regulations permanently undermine equipment design and require initiating significant investments related to product development.

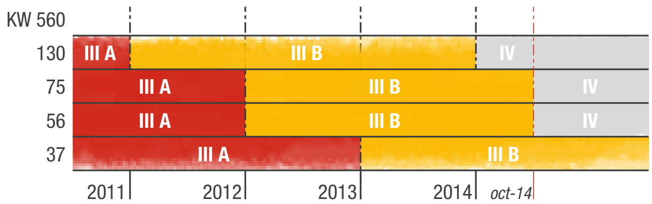
Regulators in the European Union, Japan, the USA (EPA - Environmental Protection Agency) and Canada agreed on regulations for off-road diesel equipment that limit emissions:

– carbon monoxide (CO),
– hydrocarbons (HC),
– particulate matter (PM)
– nitrogen oxides (NOx)

The EPA (Environmental Protection Agency) in the US, Japan and Canada and the regulatory bodies of the European Union have defined the emission categories: EPA Tier 1-4 in the United States, Euro Stage I-IV in Europe. Each transition to the next phase involves a further reduction of the quantities of the four specific pollutants, depending on the number of grams per kilowatt/hour of compounds present in the exhaust fumes of a diesel engine. A few other countries are involved in this process but with different effective dates.

Since January 1, 2012, the Stage 3 B (EU)/Interim Tier 4 (USA) regulations applicable to engines with power above 56 kW (76.2 hp) have been in force.

The table below shows the timing of the transition from Stage IIIA to IIIB and IV depending on the engine power.



*KW: engine power in KW

The Stage 4 (EU)/Final Tier 4 (USA) regulations which will be introduced by 2014/2015, will see the NOx and PM levels almost totally eliminated.

These regulations are accompanied by the development of new fuels (off-road diesel-GNR) and new types of engines including the use of particule filters.

The new generation of engines requires a specific quality of diesel fuel which makes the marketing of the new equipment, if configured as compliant to the new standards, impossible in countries with low levels of regulations.

The Manitou Group has worked for several years to find the best technologies in terms of engines to meet these regulatory requirements, while optimizing the performance of equipment, and has mobilized a significant portion of its research and development resources for these changes. This has driven it to define the product offerings per region to meet the requirements of the geographical regions where regulations are applicable while maintaining the machines best adapted to other regions.

The transition from one standard to another includes flexibility clauses that may vary from one continent, country or region to another. The new generation of engines requires a specific quality of diesel fuel which makes the marketing of the new equipment, if configured as compliant to the new standards, impossible in countries with low levels of regulations.

The transition from one standard to another generates significant difficulties and complexities for the manufacturers by requiring:

– significant research and development efforts to resize all the machines to the characteristics of the new engines;

– the risk of the rupture of products offered in case of the failure of development in the time allotted for a machine compatible with the new regulations (delays which could originate from Manitou or its suppliers);

– the balance sheet risk associated with advance purchase of engines to cover the transition phases (as previously mentioned, €40 million in 2011 and €20 million in 2012);

– a risk of capacity constraints for upstream deliveries of the engine quantities necessary to get beyond the transition phase (as a reminder, this situation was encountered in 2011);

– a significant increase in the cost of goods sold related to the new machines, without any particular benefit for the end user, that impacts margins;

– increased and barely visible competitive pressure during the period that the new products are launched resulting in significant pressures on margins.

LITIGATION RISK

Several group companies are currently involved in disputes or legal proceedings. To the best of its current knowledge, the group believes that its provisions are sufficient to cover the current risks.

The litigation consists of legal disputes related to products, commercial disputes and litigation towards employees. None of these disputes is individually significant. For further details, please refer to paragraph 6.2.10, legal proceedings and arbitration as well as chapter 8.1.7, note 14 of the notes to the consolidated financial statements at 31.12.2012.

There are no other governmental, legal or arbitration proceedings, including any proceedings of which the company is aware, that are pending or were threatened over the last 12 months that may have or have had a material impact on the balance sheet or income statement of the company or the group.

3.3 OTHER RISKS

TAX RISK

Manitou BF and its subsidiaries prepare their tax returns with the help of chartered accountants or tax consultants. However, these methods do not provide an absolute guarantee that there will be no risk of tax adjustments, particularly in relation to the technical interpretation of certain tax exemption criteria and rules.

DEPENDENCE ON PERSONS IN KEY POSITIONS AND QUALIFIED PERSONNEL

The group's success is in large part dependent upon the on-going contribution of its Board of directors, its Executive Committee and the company's teams of experts.

If one or more members of the Board of directors or the Executive Committee or highly qualified personnel were to leave, this could have a negative impact on the group's business. In order to limit this risk, the group has put in place a personnel policy aimed at retaining, developing and promoting qualified staff. (see note 4.3.4 of this document). Thus, Manitou attributes long-term financial instruments on a regular basis, which enhance the motivation and commitment of certain management staff over the long-term. In addition, it should be noted that within the Board of directors, Jacqueline Himsworth, Marcel Braud, Gordon Himsworth, Sebastien Braud and Christopher Himsworth are all related through family ties. The family shareholders signed a shareholders pact on 09.06.2011 which is valid for a period of 6 years.

For more information related to the composition of the administrative bodies, please refer to sections 5.1. and 5.2. of this document.

3.4 RISKS COVERED BY INSURANCE

The group subscribes to public liability and property damage insurance policies with top tier insurers. The group has increased the coordination of insurance policies through the parent company in order to optimise premiums and improve the level of coverage. Most notably, the group has put in place a master liability policy under which practically all subsidiaries, including Manitou Americas, are covered. This master policy functions as a backup for coverage already provided under locally-obtained policies.

At the date of signing this report, the amount of public liability coverage was €30 million per claim per policy year. Property damage policies are usually of the "all risks with exceptions" type and for amounts corresponding to the risks identified.

The group takes out other insurance policies, in particular to cover credit risk, the vehicle fleet and personnel.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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4.1 2012: CREATION OF A GROUP APPROACH TO CSR

4.1.1 PROJECT GOVERNANCE

Driven by management's will and closely linked to the stakes of the new growth cycle, a management position for sustainable development was created and filled in in February of 2012. The sustainable development function reports directly to the General secretary, on one hand, to ensure its impartiality and independence vis-à-vis the operating functions and, on the other, to ensure the transversal nature of the function throughout the entire group.

The year 2012 permitted us to establish the group's ambition and define its CSR (Corporate Social Responsibility) strategy, its action plan and its objectives. The year 2013 will be the year of implementation.

A steering committee, chaired by the sustainable development function and including four members of the Executive Committee, met monthly to structure the major steps of the project, identify the main contributors and enrich the strategy with the everyday operating and market realities. The steering committee met three times in 2012 to review the key steps of the project.

4.1.2 KEY STEPS

In order to assess the CSR performance of the group, a diagnosis was conducted based on the ten major stakes identified by the Executive Committee. The specificities of Manitou Group business activities were faced up against the multi-segment expertise of a specialized CSR consulting firm. That analysis consisted in three key steps essential for the construction of the strategic axes. Firstly, internal interviews were carried out throughout the group, to involve key employees up front and understand their vision of the future CSR initiative. External interviews with key stakeholders were also conducted: suppliers, customers, professional associations, local authorities, etc., to understand their vision of the group's priority issues and their view of the company's performance with respect to those issues. Finally, a benchmark challenged its performance against the seven fundamental points of the ISO 26000 standard, and external practices.

CSR Diagnosis:
- 25 internal interviews in four regions throughout the world
- 10 external interviews
- A benchmark on 46 analysis points originating from the ISO 26000 standard

The findings of that diagnosis and the realities of the group were then translated into three strategic axes. The creation of two working groups (Europe and the USA) helped the co-development of a dedicated action plan, with operational teams of the company.

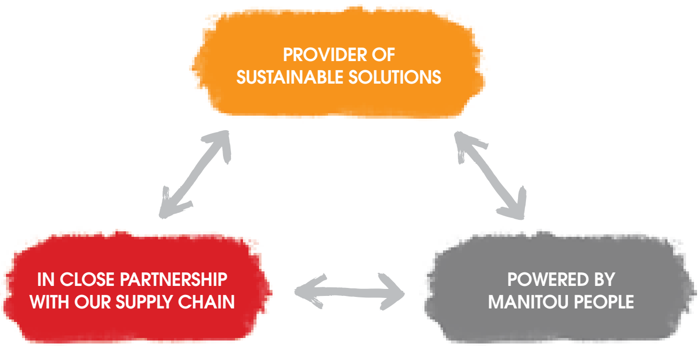
4.1.3 MANITOU GROUP CSR STRATEGY

As an integral part of the corporate strategy, the aim of the CSR process is to rebalance the current business and strategic models.

"Lever up sustainable growth and create shared value" is the group's vision to contribute to its mission: "THE Material-Handling Reference."

"Provider of sustainable solutions", "Powered by Manitou people", "In close partnership with our supply chain" are the three strategic axes which structure the group's roadmap from 2013 to 2016. The overall objective is to achieve a fully integrated CSR model in four years in which the CSR will strengthen our business model. Thus, one of the key success factors is the integration of the approach in every process and in the day-to-day operations, but also increase consideration of the group stakeholders expectactions like suppliers, employees, customers, dealers, shareholders…

Derived from strategic axis, this action plan is based on three solid commitments:



PROVIDER OF SUSTAINABLE SOLUTIONS

We recognize the negative as well as the positive impacts of our products and services on people and planet. We aim at innovating to provide our clients with safe, highly efficient and sustainable solutions, in partnership with dealers and key accounts.

POWERED BY MANITOU PEOPLE

We recognize our people as a key asset to archieve economic and sustainable success. We are committed to offer them all conditions for their professional and personnal development, and to fully involve them in our sustainability program.

IN CLOSE PARTNERSHIP WITH OUR SUPPLY CHAIN

We recognize that our suppliers play a key role in our sustainable performance. We aim at working in close partnership with them to design, implement and monitor our sustainable strategy.

4.2 ENVIRONMENTAL INFORMATION

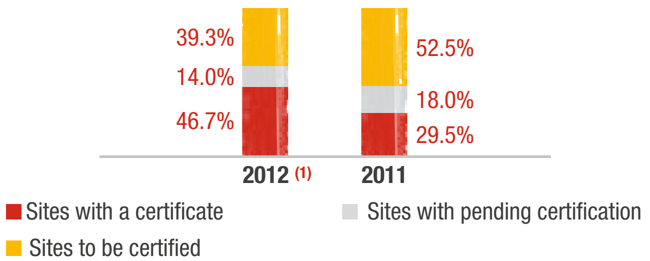
4.2.1 GENERAL POLICY

ORGANIZATION

The day-to-day application of the "Provider of sustainable solutions" commitment is reflected in our certified or pending certification sites through an environmental management system (EMS), and through the promotion of that type of system at the other sites. The EMSs are adapted to each site main impacts and provide a break-down of the Manitou Group environmental policy, most notably, its three major axes: pollution risks management, reduction of our industrial waste, and preservation of natural resources. An environmental action plan then allows the establishment of targets to improve site performance.

Piloted by an environmental coordinator, the action plans are passed on by correspondants and then implemented by team members in charge of the application of good practices (e.g. waste sorting, chemical products) and of the alert in case of environmental incidents.

PORTION OF SALES GENERATED BY ISO 14001 CERTIFIED SITES



In order to fulfill this commitment, the group's objective is to implement the ISO 14001 certification (or equivalent) at all manufacturing sites by 2016. In 2012, the Laillé site and the Spare Parts Center were certified, and thereby joined the Ancenis site which has been certified since 2007. Thus, the certified sites represent 46.7% of the group sales. The industrial site in Castelfranco (Italy) launched a certification process that is expected to materialize in 2013.

TRAINING & INFORMATION INITIATIVES

In order to inform and commit employees, Manitou BF and CFM organizes orientation days for newcomers during which a session is dedicated to the environment. In addition, some employees are trained in the use of clean-up kits to avoid contamination, for working in explosive atmospheres and with chemical hazards. Finally, initiatives are organized to raise people awareness, for example, on waste recycling, energy saving or labeling of chemicals products.

PROVISIONS AND GUARANTEES FOR RISKS

The company does not provision any amount for environmental risks since it is covered by its liability insurance policy for damages resulting from pollution or environmental damage on operating sites (in France and Italy).

4.2.2 POLLUTION AND WASTE MANAGEMENT

As explained in the methodology clarification, the scope of the data analyzed below is only related to the Aubinière production site in Ancenis (France), the group's largest production site.

The Manitou Group's target is to reduce the various environmental impacts that its production sites may have on the surrounding areas.

4.2.2.1 IMPACT ON THE WATER SYSTEM

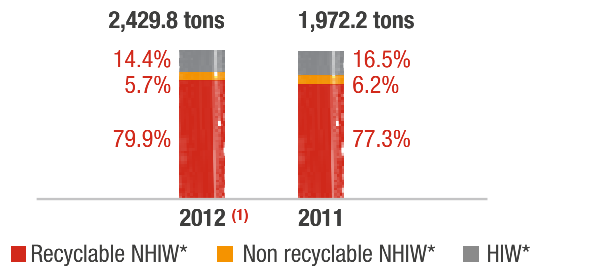
WATER DISCHARGES

As in 2011, the 96 test samples **(1)** of wastewater taken in 2012 were compliant with the local legislation (100%) **(1)**. Those results were achieved thanks to the methods put in place at the site. It is notably equipped with physico-chemical treatment equipment for the treatment of in-situ pollutants, with an alarm and a stoppage device in case of a breakdown. That system is managed by a recognized external organism which carries out daily checks and provides reports on the treatments performed. Weekly monitoring of pollutants is led by the site and monthly checks are performed by a certified external laboratory. In addition, the site is demonstrating its commitment to reduce the risk of pollution by reducing water discharges. During the remodelling of the mast production workshop, the company replaced the chemical surface treatment process by shot peening (a mechanical process) that does not generate waste water.

In order to reduce the impact of contamination by rain water, rainwater systems were equipped with a pre-treatment system, composed of an oil sludge separator which is checked and cleaned regularly, prior to their realease into the environment. In addition, measurements are made annually to confirm that systems are operating correctly.

4.2.2.2 IMPACT ON THE ENVIRONMENT AND ITS ABILITY TO RENEW RESOURCES

WASTE GENERATED BY TYPE



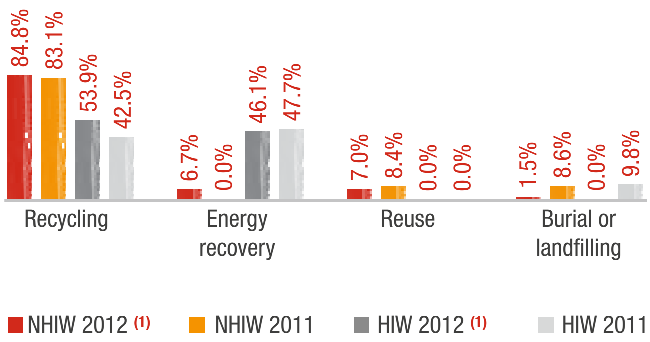
* The HIW (hazardous industrial waste) is contaminated industrial waste such as soiled rags, paint sludge, etc. The NHIW (non-hazardous industrial waste) is ordinary industrial waste which is non-hazardous, such as wood, paper…

As of February 2012, the company has subcontracted the comprehensive service for the removal and treatment of waste for all of the French sites. That comprehensive service replaces multiple contracts held by each site, which enables the improved assessment of waste quantities produced and also allows us to steer our policy to reduce the impact of waste generated nationally. That change in scope partly explains the increase in the quantities of waste produced. For example, restaurant waste that was previously collected by the municipality as common household garbage, is now included as non-hazardous industrial waste. Besides, in 2012, the headquarter and a production line moved. The last reason to explain this increase is the storage of engines in wooden crates (usually provided in "Just in time" conditions), to cope with the continually changing regulation related to engines.

(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

That contributed to the temporary increase of NHIW, such as scrap metal, paper and wood.

WASTE END OF LIFE BY TYPE



The new service contract for the sorting, collection and treatment of waste also reduces the environmental impact of waste generated. In fact, in the call to tender, the company wanted providers to present innovative processing solutions in order to minimize the landfill and to promote recycling against energy recovery, by finding new channels. In addition, our supplier offered solutions to reduce the volume of waste in order to disminish the frequency of removal truck rounds to the recycling center. Thus, a project to install a cardboard compactor was launched for 2013.

4.2.2.3 IMPACT ON THE ATMOSPHERE

VOLATILE ORGANIC COMPOUNDS (VOCs)

The company, in partnership with its suppliers, is constantly looking for paint products with lower solvent content, which therefore emit less volatile organic compounds. As an example, in 2007 the company decided to change the method to paint masts by replacing the solvent based paint with powder paint that does not generate any air pollution. We noticed a slight increase in the VOC emissions per surface painted from 102.7 grams per square meter painted as compared to 104.6 **(1)** in 2012. This was due to the use of solvents and diluents when performing color changes (to prepare machines with the rental contractor's colors) or when cleaning circuits, which occurred more often this year. To reduce those emissions, in 2012, the paint metering pumps were moved closer to the application cabins in order to reduce the length of the circuits and thereby reduce the loss of paint, as well as the use of solvents and thinners.

ACTIONS TAKEN TO IMPROVE ENERGY EFFICIENCY AND THE USE OF RENEWABLE ENERGY

In our sites:

One of the major axes of the environmental action plan is to reduce the site energy consumption (gas and electricity). To archieve it, a plan to reduce energy consumption was developed for the year 2013. It includes modernization of heating systems, energy audits, replacing some lighting and high energy-consuming equipments, and the animation necessary to involve people (sharing best practices, raising staff awareness, installing counter devices, optimizing centralized technical building management, etc.). Besides, project documentation must now includes the energy impact targeted by the environmental correspondant. In 2013, the site plans to accelerate energy-saving projects thanks to additional funding from energy saving certificates (EEC).

Through our products:

About 90% of our product CO2 emissions are generated during the use of machinery by our customers, that is why our R&D teams are developing sustainable solutions that allow the improvement of our products' energy efficiency. On the 260/280 range of aerial work platforms, the electronic management of the engine and hydraulic flows permitted the reduction of its fuel consumption. After equiping that range with dual engines in 2008, the dual energy concept was expanded in 2011 to a rotating telehandler equipment (MRT 2150 Bi-Energy). That technology enables the use of an electric motor on the stationary operations, to reserve the use of thermic engine to travel between material handling areas. In May of 2012, a "Stop&Go" process, developed in partnership with our suppliers, was released to the press.

This will to improve the energy efficiency of products is integrated as early as the development phase. Since 2012, the R&D services are equipped with digital simulators that reduce the number of physical tests and allow to choose the best combination of technology/consumption, because digital tests permit a significant increase in iterations.

The company anticipates changes in regulations which limits air pollution from motor vehicles by setting thresholds for regulatory emissions. The engines placed on the market by Manitou in 2012 meet European III B regulations for Europe and Tier 4 Interim regulations for the United States. That regulation requires a 90% reduction in particulate emissions and a 50% reduction of nitrogen oxides emitted from "Stage III A" or "Tier 3" engines. The teams are currently working on the development of engines that meet both "Stage IV" and "Final Tier 4" requirements in order to be prepared for 2014. These new engines will further reduce the nitrogen oxide authorized emissions by 80% and will thus have particulates and nitrogen oxide emissions at nearly zero levels in order to reduce the impact of our products on the atmosphere.

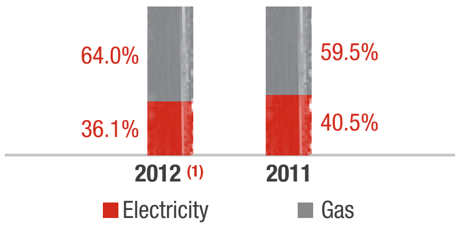
Finally, Manitou offers its customers to use biodegradable oils as a replacement of conventional one.

(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

4.2.3 THE SUSTAINABLE USE OF RESOURCES

	2012	2011	Variation
Water consumption (m³)	17,009	16,271	4.5%
Industrial water consumption (l/m² painted by Manitou Aubinière)	8.9	10.3	(13.6)%
Energy consumption (kWh/m² painted by Manitou Aubinière)	69.2 (1)	59.5	16.3%
Paint consumption (g/ m² painted by Manitou Aubinière)	285.4 (1)	308.8	(7.4)%
Oil consumption (Kg/ MLT 735 equivalent produced)	136.8 (1)	142.3	(3.9)%

ENERGY CONSUMPTION BY SOURCE



Electricity is mainly used for the operation of production equipments, but also for lighting and heating of some offices. Gas is used for heating workshops and baking the paints. We can observe a strong influence of outdoor temperatures on gas consumption, when analyzing the gas consumption during the winter and summer periods.

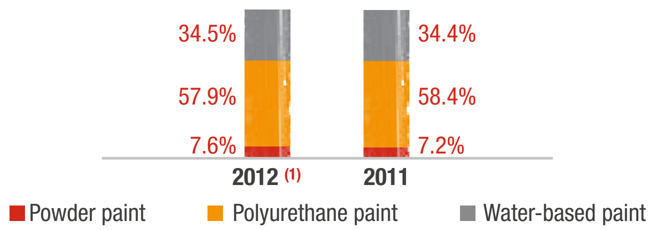
The increase in energy consumption by painted surface can be explained by 1°C colder average temperatures in 2012 as compared to 2011 (source data from Météo-France station: Nantes-Bouguenais, Pays de Loire, France).

WATER CONSUMPTION

30% of the water used on the site is for industrial processes (washing and degreasing trucks prior to entering paint compartments), and 70% for sanitation. 100% of the water used comes from the distribution network. The increase in water consumption is generated by sanitary use, which can be explained by the growing number of employees working at the site between 2011 and 2012.

In order to limit water consumption for industrial use, a closed circuit recycling system for surface treatment water has been installed. Likewise, product washing is performed using high-pressure washers. Regarding water consumption for sanitary use, water saving technologies were used during renovations or new building creations. Finally, to monitor any potential leakage in our water systems (industrial or sanitary), the technical service follows a weekly indicator of losses from the water network.

PAINT CONSUMPTION



(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

The implementation in August 2012 of new paint metering pumps closer to consumption points resulted in an efficiency increase of paint consumption per surface painted.

OIL CONSUMPTION

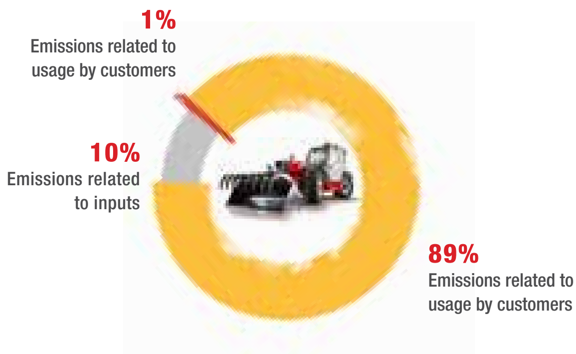
Oils are partially composed of hydocarbons and therefore have a major environmental impact. In the fourth quarter of 2012, the production site in Aubinière installed a recycling system for oils used in machine testing, to reduce its direct consumption. According to company estimates, that will allow savings of 1,000 liters of oil per month.

USE OF SOILS

The group belongs to an industry which is not intensive in use of soils. However, in order to minimize the impacts upon it, responses to emergencies have been put in place. For example, depollution kits are available in case of a liquid chemicals spill and a storm basin with shutoff valves, holding tanks, unloading areas and waterproof storage are located on the site.

4.2.4 CLIMATE CHANGE

THE CARBON FOOTPRINT EVALUATION OF MANITOU PRODUCTS



In 2011, the carbon footprint evaluation of three product families confirmed that approximately 90% of greenhouse gas (GHG) emissions of our equipment is generated during the customer use period. That is why Manitou Group decided, as a "Provider of sustainable solutions", to include customer support in reducing their consumption as a priority, as of 2013.

	2011	2012	Change
GHG of Aubinière site per surface painted (KgEqCO2/m² painted by Manitou Aubinière)	10.9	13.3	22.0%

Emissions of greenhouse gases are mostly linked to the energy consumption and logically follow its trend, which explains this increase in emissions.

ADAPTATION TO CLIMATE CHANGE CONSEQUENCES

The employees at the Manitou Aubinière site have used carpooling for several years, which has been facilitated by the creation of a forum on the intranet. We also installed sheltered bicycle garages at each parking lot.

Purchasing policy requires the selection of fuel-efficient vehicles when replacing company vehicles.

Moreover, in 2013, an internal flow review is planned to optimize travels, though reduce greenhouse gas emissions from our material handling trucks.

The refrigerant gases in air conditioners, which deplete the ozone layer have been replaced by environmentally-friendly refrigerants. Those gases are used by refrigeration units to cool production equipments (e.g. cutting fluids for machine tools), electrical control cabinets or facilites. The seals on all of these cooling systems are annually tested for tightness and when leaks are detected, corrective actions are taken.

4.2.5 PROTECTING BIODIVERSITY

For new buildings, the issue of biodiversity is addressed (presence of vegetation, amphibians, etc.). Notably, during the construction of the site storm basin, we installed a ladder for amphibians in order to let them live in their natural environment. Besides, plants and bushes were planted along the new prototype testing track. In 2013, it is planned to plant reeds in ditches bordering the production site.

4.3 SOCIAL INFORMATION

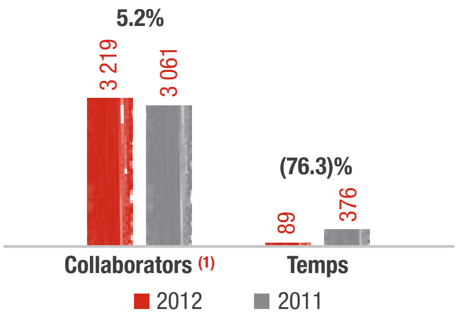
4.3.1 GENERAL POLICY

The year 2012 was highlighted by an acceleration of the group's internationalization. That resulted in the continued pursuit of our various human resources policies and the exchange our best practices.

4.3.2 EMPLOYMENT

MANITOU GROUP DATA

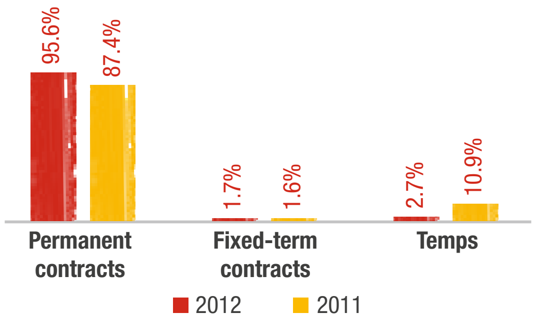
TOTAL GROUP HEADCOUNT



Group headcount grew by 158 employees, more than 5%. However, that increase does not totally account for the strong recruitment activity, which almost doubles that growth. Moreover, the year 2012, was highlighted by a significant level of professional and/or geographical mobility throughout the various entities, which can be estimated around 15% of managers. The slowdown in business during the second half of 2012 explains the significantly lower level of temporary workers at the end of the year, compared with 2011.

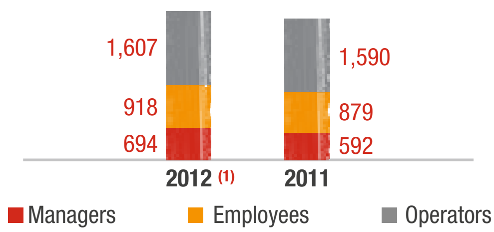
(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

EMPLOYMENT CONTRACTS



For the most part, employment contracts closed were permanent contracts. Temporary contracts are rarely used, often reserved for young trainees, especially for educational apprenticeship programs. Regarding temporary staff, it is almost exclusively used for operators and directly correlates with the cyclical nature of our production activities. However, hiring operators on permanent contracts is commonly performed, based on the level of business activity for the year. Temporary staff is given priority when hiring for those positions, which represented 53 people during the year 2012.

BREAKDOWN OF COLLABORATORS BY STATUS



The growth in headcount was primarily done in the management category during the year 2012.

BREAKDOWN OF COLLABORATORS BY GEOGRAPHICAL REGIONS

	2012	%	2011	%	Change	Change %
Europe*	2,343	72.8%	2,213	72.3%	130	5.9%
* Including France	1,896	58.9%	1,773	57.9%	123	6.9%
Americas	718	22.3%	702	22.9%	16	2.3%
Rest of world	158	4.9%	146	4.7%	12	8.2%
Total	**3,219 (1)**	**100.0%**	**3,061**	**100.0%**	**158**	**5.2%**

The increase in headcount was fairly balanced over the various geographical regions with a few trends nonetheless, of which:

– A decrease in the headcount of Southern Europe region, such as in Portugal and Spain;

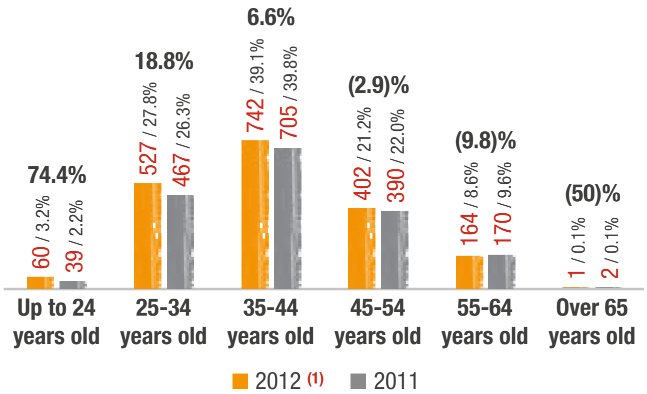
– An increase in the momentum in the APAM region (Asia, Pacific, Africa and Middle East), especially in Australia, South Africa, Singapore and in India;

– The reinforcement of the corporate teams in France to prepare the return to growth;

– Stability in the Americas region.

MANITOU BF AND CFM DATA

BREAKDOWN OF HEADCOUNT BY AGE



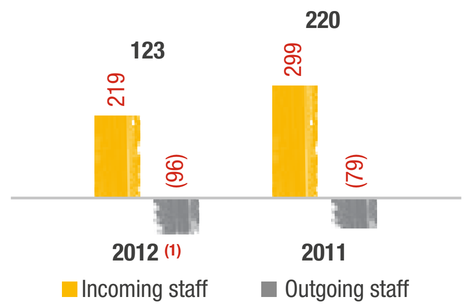
The continued hiring within all age groups in 2012 maintained the balance of our age structure. More than 2/3's of our employees are under 44 years old, which is pertinent and promising for the future.

BREAKDOWN OF HEADCOUNT BY GENDER

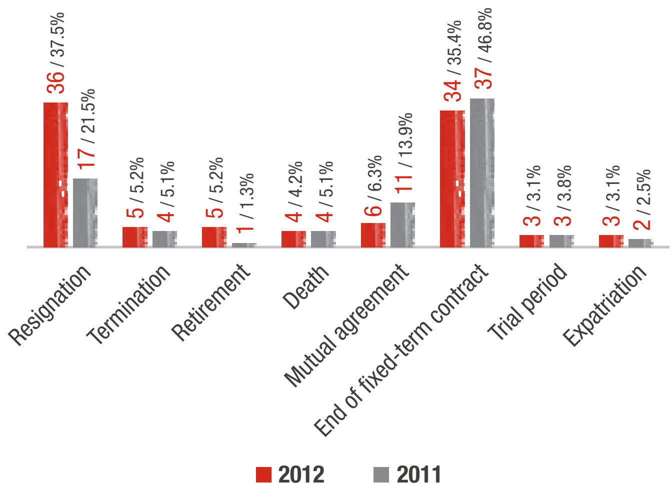
The diversity of recruitments made in 2012 helped us to integrate 38 new women into our teams in France, an increase of 13% in the current number of female employees, whereas headcount in France grew by only 6.9%.

In the same time, the number of female managers increased by 39%, demonstrating that the company did not hesitate to entrust these new female talents with positions of responsibility: 76% of the women hired held management positions.

CHANGES IN HEADCOUNT



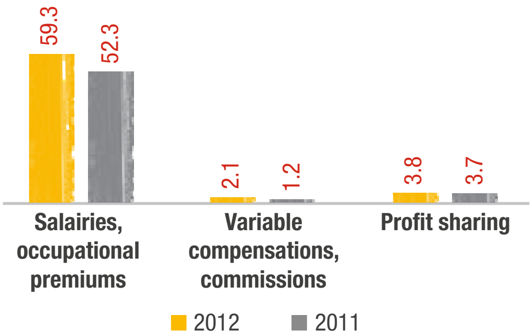
CAUSES OF DEPARTURES



Staff turnover remains very low within Manitou Group in France, however accelerating in 2012 (from 2.18% in 2011 to 3.61% in 2012). That phenomenon was particularly noticeable among management employees, whose resignations multiplied by three (7 in 2011, 23 in 2012 or 7% of current management headcount). Two hypotheses can be put forth: Firstly, the acceleration of very beneficial change for the vast majority of managers might have, on the other hand, left others thinking their profiles might be better rewarded outside the group. Secondly, the company's turnaround over the last three years permitted to attract new talents. The corollary to that may have been the exposure of existing employees to a higher level of aggressive behavior from competitors.

(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

ALLOCATION OF STAFF EXPENSES (IN MILLION €)



DIFFERENCES IN MALE/ FEMALE COMPENSATION

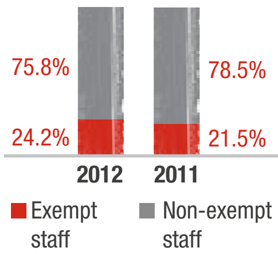
NB: The salary gap between male and female for production team leaders is not available as there is no female production team leader.

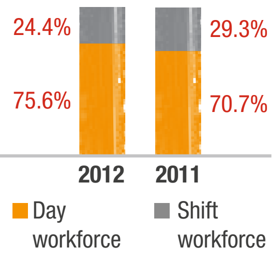
The group has developed a competitive compensation policy targeted at favoring the recognition of individual and team performance. Regarding operator or employee categories, the policy purpose is to ensure the best possible protection while permitting career evolutions for top performers. For management staff, compensation is partially based on performance with the benefit of a variable compensation component conditioned to formal objectives with a dual concern, firstly: To associate them with a collective portion, to assure common interest, and, on the other hand, to motivate them on an individual basis relative to their function. Moreover, the top-down assignment of these objectives ensures the overall consistency. The fixed and variable components of compensation are structured thanks to external benchmarks and developed according to the level of responsibility held.

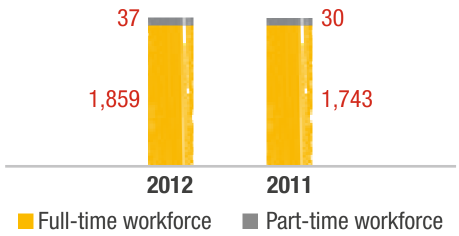
In addition, collective performance was also rewarded with a collective incentive for all employees based on operational criteria.

Negative variances between the average salaries of men and women arose from seniority, therefore levels of experience and responsibility are lower for women than for men. The management guidances regarding the starting salary are exactly the same for male and female at equivalent positions.

4.3.3 ORGANIZATION OF WORKING TIME







The slowdown of business in the second half of 2012 directly resulted in a decrease in temporary staff and, at the same time, the return to day work for shift work teams.

The rate of part-time employment, which was historically low, grew by 23% during the year 2012. Main beneficiaries of that organization are female employees, who thereby enjoy one day off per week, often on Wednesdays.

ABSENTEEISM

% of theoretical hours worked	2011	2012 (1)
Illnesses	3.7%	3.6%
Workplace accidents	0.3%	0.5%
Unpaid leaves	0.2%	0.1%

The historically low rate of absenteeism at Manitou BF did not significantly change in 2012.

4.3.4 LABOR RELATIONS

ORGANIZATION OF SOCIAL DIALOGUE

The dialogue with employees is recognized as one of the strengths of our company. Many topics are discussed every year with our workforce representatives. In 2012, we achieved a new milestone with the increased importance of the Central Works Council, which met 10 times (as compared to the two annual meetings required by law) and was chaired by our Chief executive officer. The frequency of those meetings allows us to associate regularly our representatives with numerous events, projects and results through an extremely rich year. That willingness to share our various strategies with elected labor representatives will continue. The social dialogue is a key element in maintaining social cohesion essential to a sustainable economic recovery.

(1) Audited indicators that obtained a unqualified limited assurance statement from KPMG Audit.

COLLECTIVE AGREEMENTS REPORT

	2011	2012
Number of agreements signed	13	8
Number of open negotiations	13	14
Ratio of agreements signed / open negotiations	100%	57%

At first glance, the rate of change in the figures might suggest that the level of social dialogue has deteriorated. However, that is not our interpretation. Indeed, the management did not hesitate to put a number of innovative projects into discussion, such as the organization of work that requires more time. These projects will be resumed in 2013 as they are considered essential to improve our reactivity towards our customers.

However, other agreements were concluded in 2012 such as the versatility of operators, the improvement in social welfare, beneficial but also conscious, or the association of a larger number of employees with operating incomes, through a profit sharing agreement.

4.3.5 HEALTH AND SAFETY

HEALTH AND SAFETY CONDITIONS AT WORK

In 2012, an agreement was signed related to health and safety under the title "Complementary health and social welfare". In 2011, an agreement was signed on psychosocial risks and another on pension plan.

Regarding health, two highlighting facts should be noted:

– A significant improvement in healthcare benefits was led, mainly for non-management employees, who now have the option of benefitting from the same complementary healthcare conditions as management employees. These improvements were the subject of an agreement (mentioned above). That change was possible thanks to the noticeable responsible behavior of the recipients (discussed and recognized by experts in the profession) ensuring an efficient and therefore profitable system. This regime is still steered on a shared basis, by both management and unions, all of whom signed the agreement.

– Another acceleration was made in 2012 regarding psychosocial risks (PSR). This "Manizen" approach, initiated in 2010, was supported by a firm specialized in PSR and identified 18 risks at the end of 2011. Following the identification, a PSR evaluation document was constructed in 2012 to trigger action plans. 55 company employees, representative of the Aubinière production site populations, have been integrated in this phase, through eight working groups. 2013 will be the launching year of those action plans, which will begin by training team managers on PSR prevention. The various committees for Health, Safety and Working Conditions are regularly informed of the progress on these action plans.

In addition, Manitou BF and CFM inform their employees on the stakes related to health and safety issues: in 2012, 634 people were trained (622 in 2011).

Finally, the company is implementing actions to improve health and safety at production sites. Safety audits are led by the Safety and Prevention service, in which operators participate in the identification of risks. Regular briefings are carried out between managers and their teams. There is also a continuous animation on the site: Weekly meetings are organized with production team leaders, a summary of safety issues is broadcast weekly, volunteer safety referents are nominated for every team. Operators are also informed of every significant event (accidents, hazards…), on general topics, and involved in the process through events such as the "Safety contest" in 2011.

In 2012, 600,000 euros were spent for site safety which permitted the improvement of workstations. Additional handling accessories (hooks, manipulators, handling cranes) were installed in 2012, as well as equipments to improve working conditions. Finally, increasingly performing equipment is being studied and put in place at the workstations.

WORKPLACE ACCIDENTS

	2011	2012
Frequency rate		
Collaborators	14.4	14.7 **(1)**
Temporary staff	7	69.2 **(1)**
Severity rate		
Collaborators	0.6	0.2 **(1)**
Temporary staff	0.1	0.7 **(1)**
Number of reported professionnal illnesses (collaborators)	**6**	**14**

In terms of accidents, frequency rates have remained stable for collaborators. The severity rate was reduced by 2/3 for this population, which is encouraging for the prevention policies we pursue. However, in order to improve the frequency and severity rate for the temporary workers, Manitou BF and CFM decided to improve vigilance on these indicators in 2013, in collaboration with the temporary employment agency.

4.3.6 TRAINING

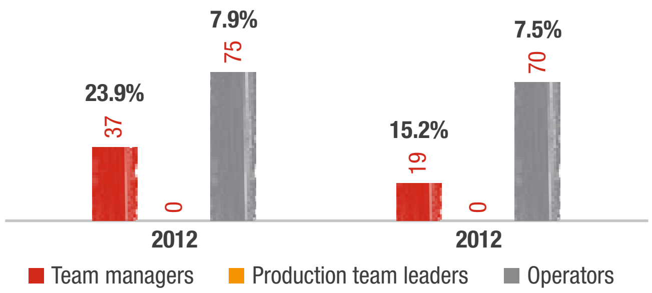
Training initiatives increased by 10% in 2012, or 31,159 hours for all the teams based in France. The average training time per person increased from 15.9 hours to 16.4 hours **(1)** between 2011 and 2012.

Of those courses, over 6,300 hours or 20% were devoted to safety. It represents the same effort as the year 2011. 50% of trainings related to safety was performed by internal trainers. 2012 was also highlighted by a continued effort with repect to functions (procurement, research and development…). Finally, a relatively new approach associated operators with the launches of new products.

(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

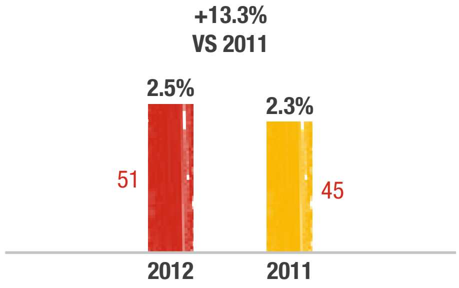
4.3.7 EQUAL OPPORTUNITIES

PROPORTION OF WOMEN BY CATEGORIES



The number of female team managers increased by 39%, demonstrating that Manitou BF and CFM did not hesitate to entrust new female talents with positions of responsibility: 76% of the women hired held management positions. The conditions necessary for women to supervise operators have unfortunately not been met.

PROPORTION OF THE WORKFORCE WITH DISABILITIES



The company continued its initiatives toward populations with disabilities in 2012, permitting to increase the number of units by proportions 2 times greater than the increase in headcount.

4.4 SOCIETAL INFORMATION

4.4.1 REGIONAL, LOCAL AND ECONOMIC IMPACT

SYNAPSE PROJECT: MANITOU LOCAL INDUSTRY INITIATIVE IN FRANCE

Purchases of commodities and components (around 70% of group sales) have a preponderant impact on the group industrial know-how and profitability. Operational and financial difficulties experienced by suppliers since the 2009 crisis have increased Manitou exposure to the risk of dependence vis-à-vis its suppliers. In this context, Manitou initiated the “Synapse” plan, a “regional sector” process in collaboration with all of the administrative, financial and economic authorities of the Pays de la Loire region in France (ex: Oséo, RCCI, Direccte, etc.). The first year of Synapse project was marked by the willingness of the company to offer its suppliers means to resist against economic business cycle difficulties, and to diversificate (e.g.: searching for new markets, product diversification, etc.) in anticipation of the coming recovery. Thus, the group has approached more than 200 regional companies representing more than 4,000 jobs. 60 of them volunteered to perform a diagnosis of their situation together with Manitou and obtain the tools and resources they need for their re-development (Oséo funding, training, zero rate loans, innovation, etc.). 11.4 million euros were transferred to 9 companies through regional industrial restructuring loans (P2RI) on 27 plans granted in 2010 by the banks. 34 Dynamic Entreprise & Relance plans were deployed to help businesses to prepare for the future. In 2011 and 2012, Manitou supported the expansion of the supplier base organizing Synapse workshops to enlighten as many people as possible on existing aids and development options available, in partnership with its local partners.

ACTION PLAN FOR EMPLOYMENT

In 2011, Manitou BF joined the Employment Charter initiative created by the Pays de la Loire region (France) with the main economic stakeholders in the Ancenis area. The purpose is to develop an action plan covering four areas: economic, skills, professional reclassification and rehabilitation, orientation. This project combines economic stakeholders in the Ancenis area, social partners, elected officials of the Ancenis local authorities, federal services, etc.

4.4.2 RELATIONS WITH STAKEHOLDERS

The group values particularly the dialogue with its stakeholders. CSR approach structured in 2012 is entirely based upon creating shared value with all its key stakeholders, including customers, suppliers, employees, group investors and shareholders.

As such, the group decided to bring these key partners together in 2012 to a platform to exchange and commit every actor to a common ambition. Thus, Manitou Group created “The Festival”, a world premiere which brought together more than 1,000 partners from 80 countries: customers, dealers, importers, suppliers, bankers, analysts, journalists and employees to share the group’s vision and define how to “Grow Together”. That external event was organized in the south of Spain and brought on open and informal discussions or debates, permitting the gathering of our partners’ expectations with 14 thematic presentations, 21 roundtables discussions and exclusive meetings with group’s executive management for direct and uncompromising talks. An exhibition area of 12,000 m² combined all solutions and brands surrounding the group’s five values: “Leadership”, “Customer centricity”, “Anticipation”, “Difference” and “Accountability”.

Customers

The group has several centers dedicated to train its customers in the safe use and maintenance of its products. The worldwide training center for the RTH-IMH divisions is based in Ancenis. Local centers have also been structured in some dealer subsidiaries. In addition, to disseminate the group news to its dealers throughout the world, "Manitou Life", the network's magazine, quarterly informs distributors of events in the group,new products or client news, whether they be dealers or final customers.

Increasingly attentive to its customers, in 2012, Manitou launched the "Experteam", an exchange platform on its products and services. This platform provides an opportunity for customers to share their experiences on machines use, propose suggestions to improve it and exchange their mutual experience between members. Initially dedicated to the construction market for the Manitou brand, this trading platform have already taken place in France, the UK and Germany. In February of 2013, a blog in six languages will also be available to share events of the Experteam, to access the latest information on the Manitou construction market and to be informed of the results of customer surveys.

Suppliers

Several times a year, a day of exchanges with suppliers called "Tech Days" takes place to identify potential co-innovations.

A supplier convention organized at the Festival helped to gather the 100 main suppliers of the group, and thereby, share about the purchasing policy in 2012 and in the coming years.

Employees

The group intranet is used to daily deliver the news from different divisions, functions and subsidiaries. Monthly, the floor is given to a Manitou Group employee who, through a brief video, presents his business and projects to all of his colleagues. The group is determined to provide all employees the highest level of transparency in communication made available to them over the intranet.

2012 was highlighted by the establishment of "Com 'n Share", a unique moment of quarterly information sharing and exchanges for the 84 key managers of the group. Both on a face-to-face basis for French managers and through videoconferences for managers abroad, the purpose of these information sessions is to facilitate internal communications throughout the group and enable each manager to push down key information to their teams.

In 2012, sessions called "Discovery of the business functions" were also launched in order to raise awareness of the group various business functions (IT, Purchasing, Supply Chain, etc.), and thereby encourage internal mobility.

Local populations

Following a dialogue with inhabitants surrounding the Ancenis site about noise pollution and dust emissions caused by the endurance testing of products, a new test track was built further away to reduce annoyance for our neighbours. The company also regularly informs city local authority and the neighboring industrial sites of the conformity of its water discharges.

Associations & the civil society

In 2012, Manitou provided an industrial truck for a one year period to the ELI association (Erdre and Loire Initiative). ELI works towards the insertion of job seekers by economic activity within the Pays d'Ancenis area. It offers a service providing employees to local companies, and insertion projects with three support activities (decoration, eco-construction, and maintenence of green spaces).

Following the earthquake that struck the north-east of Italy in May of 2012, Manitou Italia provided for free 3 telehandlers and an aerial work platform to Civil Protection Service of Emilia Romagna.

AFTER-SALES SERVICE

Since 2009, Manitou evaluates customer satisfaction regarding the after-sales actions (equipment, service and after-sales advice, troubleshooting, technicians, complaint processing, etc.). This survey, led by an external service provider, notably permits to measure customer satisfaction at the national level, to identify the influence of a bench of criteria and to highlight strengths and weaknesses of the "ASS" activity. In 2012, 42 dealerships were surveyed. It means 1,605 phone interviews were carried out with dealership network customers. It represents an average of 38 interviews per dealership split between the group three businesses: agriculture, construction and industry. The process was warmly welcomed by all customers surveyed, with 90% of them agreeing their answers to be released by name. In 2012, Toyota customers were excluded from the scope of the study.

Customer overall satisfaction

"On an overall basis, for the after-sales service, that is to say, maintenance and repair, would you say that you are…?"

The results indicate that customers expressed a high level of satisfaction which is growing each year: 5 points more than in 2010.

4.4.3 SUB-CONTRACTING AND SUPPLIERS

In 2010, Manitou signed the Charter for subcontracting, initiated by the French Ministry of Economy. It lists 10 commitments related to responsible purchasing: sustainable development impacts and territorial responsibility, a sustainable relationship between the purchaser and the SME, the recognition of the total ownership cost (not only the price indicated), financial fairness, and management of dependency. The charter also underlines the importance of professional purchasing organizations and processes, objectives and compensation linked to these principles. A contact for SME was appointed within the company (the General secretary) to solve conflicts. That internal mediator can be consulted by SMEs and is their privedged contact within the company.

(1) Audited indicators that obtained unqualified limited assurance statement from KPMG Audit.

The CSR action plan to be implemented in 2013, and notably supported by the strategic axis "In close partnership with our supply chain", will strengthen CSR requirements vis-à-vis our suppliers as well as on certain key product families. To date, for the RTH-IMH division, the environmental certification is already part of the overall assessment of suppliers and is equivalent to 2.25% of the global rate. In order to monitor the performance of suppliers, a questionnaire is sent to them every year. Audits are performed at the beginning of the relationship to assess the supplier's ability to work with the company, after which process audits are organized in case of problems related to specific issues. In 2012, 76% of the top 20 suppliers of Ancenis production unit were certified or with pending ISO 14001 certification.

As Manitou suppliers are mainly European, a project to increase the supplier list began in 2012, in order to secure our supplies, ensure the group' growth, strengthen its competitiveness, and prepare the future and commercial development in countries such as India, Brazil and China. In order to take into account inherent risks in such a project, an ethical code of conduct has been sent to the suppliers contacted to demonstrate the group desire to promote the use of sustainable development principles. By signing that code, the supplier commits itself to make its best effort to respect, implement and enforce, and to make its own suppliers and sub-contractors respect, implement and enforce, all of the principles set out in the code: human rights and labor rights, environmental protection, health and safety, ethics and transparency of information. The signature of this code is a discriminating factor in the selection of suppliers.

In 2012, sub-contracting related to industrial production processes represented an average of 6.1% of the headcount for the direct production labor at the site as compared to 5.7% in 2011.

4.4.4 FAIR PRACTICES

In 2010, the group decided to adopt an Ethical charter as an expression of its values to be implemented at every level of its organization. That charter can be consulted on the intranet at any time. It was designed to be the reference providing the framework for the group to drive both its internal and external business activities, with integrity and responsibility. This code of ethics is based on the principles that the company wants to apply as a legal entity and see all of its employees apply, and the principles of individual behaviors to which the employees must commit to respect:

– Compliance with laws and fundamental texts (Charter of Human Rights, ILO conventions, OECD guidelines): Most notably, the group rejects all forms of corruption, as well as the use of forced or compulsory labor, or child labor.

– Principles of integrity vis-à-vis customers, suppliers and industrial partners, competitors, shareholders and investors, and representatives of national authorities.

– Preservation of the health and safety of employees, customers and other stakeholders.

– The respect of employee rights in terms of mutual respect, equality, privacy, freedom of expression and skill development.

– Respect of the environment through management policy and the improvement of facilities.

4.5 METHODOLOGY CLARIFICATION: EXTRA-FINANCIAL INDICATORS

INTRODUCTION

In 2012, the Manitou Group created a CSR strategy which goals and objectives were validated by the Executive Committee. The group CSR strategy is based on three axes, 15 priorities and a roadmap for 2013-2016. Above and beyond regulatory compliance with article 225 of the French Grenelle 2 law, the implementation of an extra-financial reporting system within the Manitou Group addresses several purposes. Pilot the social, environmental and societal performance of the group with respect to the 2013-2016 action plan and transparently communicate on the major CSR stakes of the group. As such, Manitou get inspiration from the guidelines provided by the Global Reporting Initiative (GRI).

CHOICE OF INDICATORS

The group's CSR issues were defined thanks to internal and external analyses, as well as a benchmark, performed by an external firm. Workshops were then organized in order to translate strategic axes into priorities and action plans. For the first extra-financial reporting, the target was to be as comprehensive as possible vis-à-vis the 42 matters listed in article 225 while taking into account the group's action plan. As 2013 is the year of implementation for a number of initiatives, the list of indicators will need to be further developed in order to steer the entire 2013 to 2016 process.

SCOPE

For this first year of reporting, the scope has been deliberately restricted to France to favor the implementation of a rigorous methodology and an appropriate organization enabling the move towards the financial scope as quickly as possible, and to collect indicators within a scope which includes all production subsidiaries (USA and Italy).

With the exception of the headcount and staff indicators related to employment status and region which are reported on a group consolidation basis, the indicators are presented for the 2011 and 2012 periods:

– For the environmental indicators: the French site Aubinière, the largest industrial site of the group representing 30% of sales revenues;

– For social indicators: all French sites or, the Manitou BF (parent company) and CFM (Compagnie Française de Manutention) entities, representing 58.9% of the headcount;

– For societal information: the selected scope is France.

PROCEDURE

The extra-financial reporting covers the period from January 1 to December 31 of each year. Reporting procedures are based upon three main tools:

– a methodology guide that clarifies the reporting organization (roles and tasks), and standardize procedures and definitions;

– 3 data collection tables for each topic (environmental, social and societal), which automatically display any data entry errors or inconsistencies;

– an internal control table to monitor the validation procedure.

Each indicator is followed on a half-year or full-year basis and is reported per subject matter within one of the three collection tools. The consistency (the scope and definition of the indicator) is reviewed by the subject matter pilots, to whom the data are sent. Finally, an internal auditor, independent from the process, is appointed to review or challenge indicators, relating them to the action plans implemented during the year or confronting them with the source data.

Finally, to ensure the integrity of the indicators released, the group decided to have the extra-financial indicators considered as key (identified by **(1)** in Part 4 of the Annual Report – Corporate Social Responsibility), reviewed, in an unqualified limited assurance statement, by an external auditor : KPMG Audit, well known for its independence.

DETAILS

Environmental indicators

"MLT 735 equivalent unit produced": For the site producing trucks of various sizes as well as the masts, a conversion factor was assigned to each product based on the weight of the reference equipment (in units sold: MLT735 within the agricultural range). This helps to account for the diversity of products when compiling the indicators related to waste, and oil consumed per truck 7 tons equivalent.

"Painted surface unit": Regarding the environmental impacts mainly generated by the mechanized welding and painting activities (VOCs, energy, paint consumption, greenhouse gas emissions and water), the indicators are expressed in m² painted by Manitou Aubinière, as each part mechanically welded is painted. The production activity for masts has been included in this indicator.

A site is defined as being in pending ISO 14001 certification when the environmental policy is established for that site, and the plan for environmental management system implementation has been validated with the will of getting certified within a maximum of two years.

A measurement of industrial water discharges considered to be compliant is defined as a measurement which is below the threshold settled by the local regulations applicable to the production site.

The European waste classification is used to define the attribution of waste to the different categories HIW, recyclable NHIW and non-recyclable NHIW.

Waste end of life

– Recycling: reprocessing the materials or substances contained in the waste through a production process such that they become or are incorporated in new products, materials or substances. That includes the reprocessing of organic material but does not include energy recovery.

– Reuse: Direct use of the waste, without performing any transforming process. As an example, a palet can be reused.

– Energy recovery: production of a source of energy resulting from the treatment of waste.

– Burial and landfill: underground release or storage.

In 2012, the Manitou Group in France wanted to review its service contracts for the collection and treatment of waste, in order to maximize its recovery and maintain the rigorous monitoring of the various treatment processes. The group therefore moved forward to a global contract for France, which led to a change in the consolidated scope used for measuring the waste collection service (for example, NHIW now includes company restaurant waste). In addition, the year 2012 saw the relocation of a production line to one of the U.S. sites which generated unusual waste such as metal. Therefore, indicators used for reporting waste between 2011 and 2012 are not really comparable.

VOCs

– Emissions are measured by calculating the total amount of the substance, given that everything not recovered (i.e. emitted into the water / present in waste / products / or inventories), is released into the atmosphere.

– The following coefficients for solvent content were selected for the evaluation of VOC emissions from paints and solvents:

	Solvantation coefficient
Powder paint	0
Water-based red	0.06
Water-based black	0.09
Polyurethane	0.49
Glycerophthalic	0.73
Solvent based cleaning diluant	1

Water consumption is calculated from the water bills for the share distributed by the network, and through meters for surface and ground water.

Paint consumption is evaluated based on quantities used during the year (amounts purchased - inventory changes).

Oils include all oils purchased during the year and distributed in the products (hydraulic oil, axel grease and transmission fluid).

Energy consumption includes purchased electricity, natural gas and fuel oil for heating.

The product carbon footprint evaluation was performed using the ADEME methodology (French Environmental Agency) in 2011 based on sample sizes of three product families produced in Ancenis (M, MT, MLT). The data under consideration are limited to the Ancenis production unit. It was performed using the first life of the product (10,000 hours).

Greenhouse gases emissions are the direct and indirect GHG emissions of the production site. GHG sources are defined by the NF ISO 14064-1 2006 standard.

Social indicators

Collaborator: Person with an employment contract with the Manitou company or one of its subsidiaries - excluding non-consolidated companies. These means permanent and fixed-term contracts at 31/12/2012, whether they be full-time or part-time in nature. Professional apprenticeships and those people on sabbatical, maternity or sick leaves are included in the headcount. Trainees are not included as collaborator.

Group headcount: Collaborators (described above) and temporary employees hired by Manitou worldwide.

Headcount in France: Collaborators employed by Manitou BF or CFM.

Year-end permanent staff: Collaborators on a permanent full-time contract, included in headcount the entire year.

Turnover

The turnover indicator is calculated as the ratio of the sum of permanent employee departures during the period in question divided by the total permanent workforce at the end of the period. The reasons for the departures considered are the following: retirement, resignation, termination, death and others (change in category, standard termination, trial period termination). The permanent workforce is composed of employees with a permanent full-time employment contract who are part of the workforce for the entire year in question. It thus excludes:

– Staff employed by an external company
– Fixed-term contracts
– Apprenticeship contracts
– Trainees

Team managers: Managers with subordinates under their responsibility.

Managers: Any collaborator whose position was evaluated by the Global Grading System tool (Towers Watson methodology).

Employees: Any collaborator who is supporting the production process or supporting other processes such as design or distribution.

Production team leaders: A collaborator who supervises, organizes the work and ensures the safety of operators or similar under his responsibility.

Operators: Any collaborator whose primary activity is to directly contribute to the production process.

Hire (incoming staff): Any conclusion of an employment contract, whether it be permanent or fixed-term, in the year under consideration. A recruitment is accounted for when a fixed-term contract is renewed. Two hires are recorded when two fixed-term contracts follow one another with a waiting phase, if the subject matter of the contract changes, or, when a fixed-term contract is followed by hiring under a permanent contract. Transfers are not considered as hires.

Full-time workforce: All collbaorators at the company with a contract which respects the country standard working week for non-exempt employees (35h in France) or the number of days as defined by the theoretical amount of working hours, decided through annual negotiations for exempt employees. Any person not fullfiling these conditions is considered as a part-time employee.

Absentee rate: This year, the scope within which the absentee rate is measured is limited to Manitou BF as the criteria for counting at CFM could not be consolidated. However, the majority of the French consolidation scope for industrial activities are included in Manitou BF and is therefore key to this indicator. Sick leaves are taken into account if they are validated by the country reference organism (CPAM in France). Shutdown hours related to commuting accident are considered in workplace accidents. The theoretical number of hours worked is the actual number of hours really worked (as identified by the payslip) to which we add the number of days off (illness, accident, commuting accident, unpaid leaves), multiplied by the number of hours worked per day. The period used for that indicator is from the 20th to the 20th of each month.

Collective agreements report: Only collective agreements concluded within the company are considered. Sector-based agreement, whether by branch or national are excluded.

Workplace accidents: Commuting accidents are recorded as workplace accidents. The frequency rate is the number of accidents resulting in sick leave * 10P^6 / number of real hours worked. The severity rate is the number of sick days * 1000/ number of real hours worked. Each distinct professional illness is counted: When one employee has two distinct professional illnesses, two illnesses are accounted for.

Training: The number of training hours taken into account between 01/01 and 31/12 of each year are related to the headcount in France (excluding trainees and temporary employees), whether the training is provided internally or externally and whether the trainer is certified or not. The Statutory Training Entitlement is included in the training hours. The actual training hours are recorded. Two year training programs are recorded based on the prorata hours taught each year. Training in health and safety can be the CACES training (Machin Conduct Aptitute Certificate) for all types of telehandlers, carriage of dangerous materials, ATEX (work in explosive atmospheres), security reference training (a security reference person per site), etc.

A person is considered with disabilities when she is recognized by a public organization or institution and under the conditions set by the current regulation.

Societal indicators:

Satisfaction rate related to the After Sales Service department: Toyota customers were excluded from the scope of the study in 2012, as Manitou no longer distributes Toyota equipment. In fact, in January of 2012, Toyota Material Handling Europe and Manitou Group announced that they have mutually agreed not to renew their exclusive distribution agreement for industrial handling equipment under the Toyota brand name in France with effect on January 1, 2013.

CONTINUOUS IMPROVEMENT

In order to integrate the teams not based in France as soon as possible, all procedures and data collection tools will be translated into English (the official group language) during the first half of 2013. Workshops will be organized with the subsidiaries main contact people to present the group methodology guide and indicators. Finally, within a perspective towards the worldwide management of CSR, the indicators will be developed gradually as the action plans and measurement tools are implemented (e.g. the mobility indicator in 2013). Steel consumption in weight will also be monitored as soon as possible in order report raw material consumption more comprehensively (kg of steel by MLT735 equivalent produced).

ENVIRONMENTAL INDICATORS (22 INDICATORS OF WHICH 16 ARE QUANTITATIVE)

	Grenelle 2	GRI reference	Reviewed in 2012	Collection Frequency	Scope
GENERAL POLICY					
Organization	☑p38			Annual	group
Training & information initiatives	☑p38			Annual	group
Environmental management system at production sites *Indicator: Proportion of sales generated by ISO 14001 certified sites or pending certification sites*	☑p38		See p38	Annual	Aubinière production site
Provisions and guarantees for risks	☑p38			Annual	Aubinière production site
POLLUTION AND WASTE MANAGEMENT					
Measures to prevent, reduce or repair discharges *Indicator: Compliance rate of water discharges*	☑p38	EN22-23	See p38	Monthly	Aubinière production site
Prevention, recycling and disposal of waste *Indicator: Industrial waste generated by type (recyclable or non-recyclable NHIW or HIW, end of life by type of industrial waste (NHIW and HIW) and by end-of-life (reuse, recycling, energy recovery, burial and landfill)*	☑p38-39		See p38-39	Quarterly (annually for the recycling rate)	Aubinière production site
Consider any form of pollution *Indicator: VOC emissions per m² painted by Manitou*	☑p39	EN20	See p39	Annual	Aubinière production site
Energy consumption and the measures taken to improve energy efficiency and the use of renewable energy	☑p39	EN6 EN26		Annual	Aubinière production site
SUSTAINABLE USE OF RESOURCES					
Water consumption and supply according to the legal constraints *Indicators: Total site consumption, proportion of water volumes withdrawn by source (network, ground or surface), volume of industrial water consumed per m² painted by Manitou*	☑p40	EN8		Annual	Aubinière production site
Consumption of raw materials and measures taken to improve efficiency in their use *Indicators: Proportion of paint used by type (powder, water-based, polyurethane), volume of paint used per m² painted by Manitou, oil consumed by MLT735 equivalent truck*	☑p40	EN1	See p40	Annual	Aubinière production site
Energy consumption *Indicators: direct consumption by primary energy source (electricity, gas, oil, solar, wind) and per m2 painted by Manitou*	☑p40	EN3	See p40	Quarterly	Aubinière production site
Use of soils	☑p40			Annual	Aubinière production site
CLIMATE CHANGE					
Greenhouse gas emissions *Indicators: GHG emissions from production site per m² painted by Manitou*	☑p40-41	EN16-17		Annual	Aubinière production site
Adaptation to the consequences of climate change	☑p41			Annual	Aubinière production site
PROTECTING BIODIVERSITY					
Measures to preserve or enhance biodiversity	☑p41	EN12 EN13		Annual	Aubinière production site

LEGEND:

☑ : This indicator is advised or required in the relevant text (Grenelle 2)

EN X : This indicator is mentioned in article EN X of the Global Reporting Initiative (GRI).

* Audited indicators that obtained a unqualified limited assurance statement from KPMG Audit.

SOCIAL INDICATORS (32 INDICATORS OF WHICH 28 QUANTITATIVE)

	Grenelle 2	GRI reference	Reviewed in 2012	Collection Frequency	Scope
EMPLOYMENT					
Headcount and allocation *Indicators: group headcount, workforce by gender, age, status and geographical area*	☑p41-42	LA1 LA13	See p41-42	Annual	Total headcount, status and geographical region on group headcount Breakdown by gender and age on French headcount
Changes in headcount *Indicators: Incoming and outgoing staff (resignations, terminations, retirement, death, mutual agreement, end of fixed-term contracts, trial period, expatriations)*	☑p42		See p42	Annual	French headcount
Staff turnover *Indicators: Total permanent employee departures/ year-end permanent employee headcount*	☑p42	LA2		Annual	Permanent employee headcount
Allocation of staff expenses *Indicator: % of staff expenses (salaries/ occupational premium, variable compensation/ commission value, profit sharing)*	☑p43			Annual	Permanent employees present throughout the year in France
Difference in male/ female compensation *Indicators: % difference between the average male and female salaries for each status (operators and similar, production team leaders, employees, managers and similar, team managers)*	☑p43			Annual	Permanent employees present throughout the year in France
ORGANIZATION OF WORKING TIME					
Organization of working time *Indicators: % of exempt/non-exempt staff, full-/part-time, day work/ shift work workforce*	☑p43			Annual	Headcount in France
Absenteeism *Indicators: absentee rate for illness, workplace accident, unpaid leaves*	☑p43		See p43	Annual	Headcount in France (excluding CFM)
LABOR RELATIONS					
Organization of the social dialogue	☑p43			Annual	France
Collective agreement report *Indicator: Number of signed collective agreements/number of open negotiations*	☑p44			Annual	France
HEALTH AND SAFETY					
Health and safety conditions at work *Indicators: Staff trained on safety during the year*	☑p44			Annual	Headcount in France
Agreements signed on health and safety *Indicator: Number of agreements signed*	☑p44	LA9		Annual	France
Workplace accidents *Indicators: Frequency and severity rate, number of professional illnesses among collaborators and, frequency and severity for temporary staff*	☑p44	LA7	See p44	Annual	Employees Headcount in France Temporary workers Employed by MBF or CFM
TRAINING					
Training policy implementation	☑p44	LA11		Annual	France
Training hours *Indicators: Average training hours per year per employee*	☑p44	LA10	See p44	Annual	Headcount in France
EQUAL OPPORTUNITIES					
Gender equality measures *Indicator: Proportion of women among managers, production team leaders and operators*	☑p45	LA13		Annual	Headcount in France
Measures encouraging employment and the inclusion of people with disabilities *Indicator: Proportion of the workforce with disabilities*	☑p45	LA13		Annual	Headcount in France
Policy to fight against discrimination	☑p45			Annual	France

LEGEND:

☑ : This indicator is advised or required in the relevant text (Grenelle 2)

LA X : This indicator is mentioned the in article LA X of the Global Reporing Initiative

* Audited indicators that obtained a unqualified limited assurance statement from KPMG Audit.

SOCIETAL INDICATORS (6 INDICATORS OF WHICH 1 QUANTITATIVE)

	Grenelle 2	GRI reference	Reviewed in 2012	Collection Frequency	Scope
LOCAL, REGIONAL AND ECONOMIC IMPACT					
Regarding employment and regional development	☑p45			Annual	France
On surrounding or local populations	☑p45-46			Annual	France
RELATIONSHIPS WITH PERSONS OR ORG. CONCERNED BY THE COMPANY'S BUSINESS					
Conditions for dialogue with those individuals or organizations *Indicators: Customer overall satisfaction rate for after-sales service*	☑p46	PR5	See p46	Annual	France
Partnership or sponsorship initiatives	☑p46			Annual	France
SUB-CONTRACTING AND SUPPLIERS					
Take the social and environmental stakes into consideration in the purchasing policy	☑p46-47			Annual	France
Importance of outsourcing and taking the social and environmental responsibility of suppliers and subcontractors into account in the relationship	☑p46-47			Annual	France
FAIR PRACTICES					
Initiatives taken to prevent corruption	☑p47			Annual	France
Measures taken to promote health and safety of consumers	☑p47			Annual	France
Other initiatives taken to promote human rights	☑p47			Annual	France

LEGEND:

☑ : This indicator is advised or required in the relevant text (Grenelle 2)

PR X : This indicator is mentioned the article PR X of the Global Reporing Initiative

*Audited indicators that obtained a unqualified limited assurance statement from KPMG Audit.

LIMITED ASSURANCE REPORT ON A SELECTION OF SOCIAL INFORMATION WITHIN THE FRENCH CONSOLIDATION SCOPE (AND WORLDWIDE FOR HEADCOUNT), ENVIRONMENTAL INFORMATION WITHIN THE CONSOLIDATION SCOPE OF THE ANCENIS SITE (L'AUBINIÈRE) AND SOCIETAL INFORMATION WITHIN THE CONSOLIDATION SCOPE FRANCE

This is a free translation into English of the report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Following the request made to us, we present you our report on the social information within the consolidation scope France (and worldwide for the headcount), on the environmental information within the scope of the Ancenis site (L'Aubinière) and on the societal information within the consolidation scope identified by the symbol **(1)** and presented in the management report of Manitou BF SA established for the financial year ended on December 31, 2012 in accordance with the provisions of Article L.225-102-1 of the French Commercial Code.

CORPORATE RESPONSIBILITY

It is the responsibility of the Board of directors to establish a management report which includes consolidated social, environmental and societal information required under Article R. 225-105-1 of the French Commercial Code (hereafter referred to as the "Information"), established in accordance with guidelines used by the company (the "Guidelines") which are available at the company's headquarters, of which a summary is included in the management report in the Corporate Social Responsibility (CSR) section.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory texts, the code of ethics of the profession as well as the provisions of Article L. 822.11 of the French Commercial Code. In addition, we implemented a quality control system that includes documented policies and procedures aiming at ensuring the compliance with the ethical rules, professional standards and applicable laws and regulations.

INDEPENDENT THIRD PARTY RESPONSIBILITY

Based on our work, it is our responsibility to express a limited assurance conclusion on the fact that the quantitative data selected by Manitou BF S.A. shown in the table below and identified in the management report by the sign **(1)** (the "Data"), are reported in all material respects in a fair and true manner and in accordance with the adopted guidelines.

Social indicators	**Scope**
Headcount (number, status and geographical region)	group
Distribution of employees by age and gender	France
Incoming and outgoing staff	
Absenteeism	
Frequency rate of worplace accidents	
Severity of workplace accidents	
Total number of training hours per employee	

Environmental indicators	**Scope**
Energy Consomption (electricity, fuel, oil, gas)	Ancenis site (L'Aubinière)
VOC emissions	
Quantities of industrial waste generated by type	
Waste recycling rate	
Number of ISO 14001 certified sites	

Societal indicators	**Scope**
Satisfaction rate of after-sales service	France

NATURE AND SCOPE OF WORK

We conducted our work in accordance with ISAE 3000 (International Standard on Assurance Engagements) and the professional standards applicable in France. We performed the following procedures to obtain a limited assurance that the quantitative Data identified in the management report by the sign **(1)** does not contain any material anomalies likely to call into question their fair and true aspects in compliance with the guidelines. A higher level of assurance would have required more extensive review.

We performed the following work:

– We assessed the suitability of the Guidelines in terms of their relevance, completeness, neutrality, clarity and reliability, taking into account, where appropriate, the best practices of the sector.

– Within the scope reviewed, we verified the implementation in the group of a reporting, consolidation, processing and control process aiming at the completeness and consistency of the Data. We analyzed the internal control and risk management procedures related to the Data production.

– We conducted interviews with the people responsible for social and environmental reporting and conducted tests of detail on a sample size basis on the implementation of the Guidelines at the level of certain entities[1] (the "Entities").

– And conducted consistency tests on the consolidation of those data.

The portion of those selected entities represents 100% of employee headcount and 100% of selected environmental Data.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the Data identified by the **(1)** symbol are not fairly presented in all material respects, in a fair and true manner, in accordance with the Guidelines.

Paris La Défense, March 7, 2013

KPMG Audit

Department of KPMG SA

French original signed by

Philippe Arnaud

Partner

In charge of Climate Change & Sustainability Services

1 Social information: Headquarter.
Environmental information: Ancenis (L'Aubinière).
Societal information: Headquarter.

5. CORPORATE GOVERNANCE

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5.1 GOVERNANCE IN 2012

In its meeting of August 31, 2010, the Manitou Board of directors decided to adhere to the 'MiddleNext' Code of Corporate Governance for mid-caps which was released in December of 2009, for which the guidelines (recommendations and issues to monitor) better correspond to its profile than the AFEP/MEDEF code, to which the company has adhered up to now. For further information, please refer to section 7.1.1 of this document.

A specific organization of the Board of directors

All of the Board of director's working procedures have been defined by internal rules which foresee the Board's organization based on four specific committees:

– The Strategic committee

– The Compensation committee

– The Audit committee

– The Development committee

The group's operational organization in three divisions

The group is organized around three divisions to better apprehend the specificities of the markets in which they each operate.

– the RTH division (Rough Terrain Handling), specialising in all surface handling equipment,

– the IMH division (Industrial Material Handling), focusing on industrial handling equipment,

– the CE division (Compact Equipment), specialising in compact equipment.

5.1.1 THE ACTIVITIES OF THE BOARD OF DIRECTORS AND ITS SPECIALISED COMMITTEES

The activities of the Board and its Committees are detailed in the Chairman's report on internal control.

For further information, please refer to the Chairman's report on internal control in section 7.1.

5.1.2 MANITOU BF'S BOARD OF DIRECTORS

At the date of publication

The Company is administered by a Board of directors which is made up of nine-members. Each director is appointed for a four-year term. The Board of directors appoints a Chairman of the Board of directors among its members, who must be a natural person.

MARCEL BRAUD

Chairman (non-executive) of the Manitou Group Board of directors since December 2009

Nationality: French

Business address: 430 rue de l'Aubinière - BP 10 249 - 44158 Ancenis Cedex France

Experience and management expertise:

- CEO and Chairman of the Board of directors at Manitou for over 40 years.

Other offices currently held (Manitou Group):

- Chairman of the Strategic committee since December 2009
- Chairman of the Development committee since December 2009

Mandates having expired during the last five years (Manitou Group):

- Chairman of the Supervisory Board until 2009

Other offices held in companies related to the group:

- Co-manager of HB-Holding Braud (France) since 1997

Other mandates held in companies related to the group that expired during the last five years:

- President and CEO of SFERT, France until 2010
- Chairman of the Board of directors of Toyota Industrial Equipment SA until 2006

Other mandates in companies independent of the group that expired during the last five years:

- Member of the Supervisory Board of Ouest Entreprise SCA, France until 2007

JACQUELINE HIMSWORTH

Vice-chairman of the Manitou Group Board of directors since December 2009

Nationality: French

Business Address: 430 rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise:

- Graduated from ESSCA, Chairman of Ets Marcel Braud from 1986 to 2000, President and CEO of SFERT from 1984 to 2011, member of the Board of directors at Manitou since 1970.

Other offices currently held (Manitou Group):

- Chairman of the Audit committee since December 2009
- Member of the Development committee since 17.12.2009

Mandates having expired during the last five years (Manitou Group):

- Vice-Chairman of the Supervisory Board at Manitou until December 2009
- Member of the Audit committee until December 2009

Other offices held at companies related to the group:

- Managing director of Ancemat, civil society, since 2008

Other mandates in companies related to the group that expired during the last five years:

- President and CEO of SFERT SA, (France) until 2011
- CEO of SFERT SA (France) until 2009

Other offices held in companies independent of the group:

- Managing director of Tamecna since 2011

Other mandates in companies independent of the group that expired during the last five years:

- Managing director of Coliphin until 2011
- Managing director of H2O Capital until 2011
- Managing director of Trinity Capital until 2011
- Managing director of Sonafin until 2011
- Managing director of Sekoleg, an association, until 2011

GORDON HIMSWORTH

Member of the Manitou Group Board of directors since December 2009

Nationality: British

Business address: 430 rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise:

- Former CEO of Braud SA, Director of Manitou Finance Ltd (UK). Graduated from the Ecole de Management

Other offices currently held (Manitou Group):

- Member of the Strategic committee since December 2009
- Alternate member of the Development committee since December 2009

Mandates having expired during the last five years (Manitou Group):

- Member of the Supervisory Board until December 2009
- Alternate member of the Audit committee until December 2009

Other mandates in companies related to the group that expired during the last five years:

- Director at SFERT SA, France until 2010

Other offices held in companies independent of the group:

- Managing director of Menskin SARL (France) since 08.10.2012
- President and CEO of SAEMIA SA (France) since 1990
- Managing director of SCI "6 rue Poupard Davyl " Ancenis (France) since 2000

SÉBASTIEN BRAUD

Member of the Manitou Group Board of directors since December 2009

Nationality: French

Business Address: Avenue de Larrieu - Centre de Gros 2 - 31094 Toulouse Cedex France

Experience and management expertise:

- Chairman of Actiman SAS since 2005, product manager at Manitou during 10 years

Other offices currently held (Manitou Group):

- Member of the Strategic committee since December 2009
- Alternate member of the Development committee since December 2009

Mandates having expired during the last five years (Manitou Group):

- Member of the Supervisory Board until 2009

Other offices held in companies independent of the group:

- Chairman of Actiman SAS since 2005

CHRISTOPHER HIMSWORTH

Member of the Manitou Group Board of directors since 2009

Nationality: French

Business Address: 68 rue de la Fontaine B-6741 Vance

Other offices currently held (Manitou Group):

- Member of the Compensation committee since December 2009
- Alternate member of the Strategic committee since December 2009

Other offices held in companies independent of the group:

- Managing director of the Trinity Group SPRL since 2011

Other mandates in companies independent of the group that expired during the last five years:

- Managing director of Menskin SARL (France) until November 2012
- Managing director of SCI Alliantmar until 2011

JOËL GOULET

Independent member of the Manitou Group Board of directors since 2009

Nationality: French

Business Address: 8 rue Charles-François Dupuis 75008 Paris - France

Experience and management expertise:

- 25 years as Chairman or Managing director of companies

Other offices currently held (Manitou Group):

- Chairman of the Compensation committee since December 2009
- Member of the Strategic committee since December 2009

Mandates having expired during the last five years (Manitou Group):

- Member of the Supervisory Board until December 2009
- Member of the Compensation committee until December 2009

Other offices held in companies independent of the group:

- Chairman of the Supervisory Board at HMY International (France) since 2008
- Managing director of A.R.S. Consulting since 2008
- Director at Shanghai Yongguang Commercial Equipment Co Ltd (China) since 2006
- Director at Sichuan Yongguang Commercial Equipment Co Ltd (China) since 2006
- Member of the Supervisory Board of Financière Groupe Pommier since 2010
- Member of the Monitoring Board of Financière Groupe Pommier since 2010

Other mandates in companies independent of the group that expired during the last five years:

- Chairman of Yudigar SL, Spain until 2008
- Chairman of the Board of directors for HMY International SAS until 2008
- Vice Chairman of the Board of directors of Teknogon SA until 2008
- Chairman of HMY Gestion SAS until 2008
- Representative of HMY Gestion SAS: Chairman of Hermes Metal SAS until 2008
- Representative of HMY Gestion SAS: Chairman of ARM SAS until 2008
- Representative of HMY Gestion SAS: Chairman of Vannier SAS until 2008
- Managing director of CEP EURL until 2008
- Managing director of SCI Le Gué de l'Epine until 2008
- Chairman of the Board of Directors of AGEMETAL SA until 2008
- Director of Radford Shelving, UK until 2008

SERGE GHYSDAEL

Member of the Manitou Group Board of directors since 2009

Nationality: Belgian

Business Address: 135 avenue Herbert Hoover B-1030 Brussels

Experience and management expertise:

- Manager successively of MEC sa, TRECO sa, SECURITAS sa and Union Belge des Géomètres Experts sprl

Other offices currently held (Manitou Group):

- Member of the Compensation committee since December 2009

Mandates having expired during the last five years (Manitou Group):

- Member of the Supervisory Board until December 2009
- Member of the Compensation committee until December 2009

Other offices held in companies independent of the group:

- Director of Equicom SA (Luxembourg) since December 1998

DOMINIQUE BAMAS

Independent member of the Manitou Group Board of directors until March 6, 2013

Nationality: French

Business Address: 3 rue Georges Bernanos 44100 Nantes

Experience and management expertise:

- Graduated from Audiencia (Nantes GE), degree in Chartered accounting, auditing experience (10 years), experience as group financial director (8 years), CEO in Spain and France (12 years)

Other offices currently held (Manitou Group):

- None

Mandates having expired during the last five years (Manitou Group):

- Alternate member of the Audit committee (December 2009-2010)
- Member of the Supervisory Board (June - December 2009)
- Member of the Audit committee (June - December 2009)
- Member of the Audit Committee from 2011 to March 6, 2013

Other offices held in companies independent of the group:

- Managing director of Upsides Dirigeant Conseil since 2011

Other mandates in companies independent of the group that expired during the last five years:

- CEO of Axereal (cooperatives) until 2010
- CEO of Axereal Participations (SASU) until 2010
- CEO of Epis-Centre (cooperatives) until 2010
- CEO of Berry Silos (cooperatives) until 2010
- CEO of Union 36 - Cape Nievre - Epis Centre-Nord
- Vallee du Cher - Epis Bocage - Valnord - Epis Sem (agricultural cooperatives company) until 2009
- CEO of Agralys (cooperatives) until 2010
- Director of Epis-Centre De Benp Lillebonne (SAS) until 2009
- Chairman of Grains Centre (SASU) until 2010
- Chairman and CEO of Granite Négoce (SAS) until 2010
- Representative director of Granit Services de Silos du Sud (SAS) until 2010
- Chairman of TPR (SASU) until 2010
- Chairman of SMTP (SASU) until 2010
- Representative of Aria-Grains de Fertiberry (SAS) until 2010
- Deputy CEO at Ariane (SA) until 2010
- Chairman of TNA (SAS) until 2010
- Director at Force Centre (SA) until 2010
- Chairman of Cantin (SAS) until 2010
- Chairman of Semblancay (SA) until 2010
- Chairman of Ariane Meunerie (SASU) until 2010
- Chairman of Axiane Meunerie (SASU) until 2010
- Axiane Meunerie Managing director of SCI du Grillon until 2010
- GMC Managing director of SCI du Grillon until 2009
- Axiane Meunerie Managing director of SCI d'Anast until 2010
- GMC Managing director of SCI d'Anast until 2009
- Axiane Meunerie Managing director of SCI de Maneros until 2010
- GMC Managing director of SCI de Maneros until 2009
- Axiane Meunerie Chairman of Le Coutelet (SCI) until 2010
- Chairman of Moulin Calix (SAS) until 2010
- Chairman of Moulin de la Gare (SASU) until 2010
- Chairman of Moulin Nemours (SASU) until 2010
- GMC Chairman of Le Coutelet (SCI) until 2009
- GMC Chairman of Moulin Saint Gabriel (SASU) until 2009
- Chairman of GMC (SASU) until 2009
- GMC Chairman of Agrofarines (SASU) until 2009
- GMC Chairman of Moulin Calix (SAS) until 2009
- GMC Chairman of Moulin de la Gare (SASU) until 2009
- GMC Chairman of Moulin Ile de France (SASU) until 2009
- GMC Chairman of Moulin du Sud Ouest (SASU) until 2009
- GMC Chairman of Lemadu (SASU) until 2009
- GMC Chairman of Lemaire (SASU) until 2009
- Director at Ratarstvo I Stocarstvo (a foreign company) until 2010
- Director at Sté Conserves du Blaisois (SA) until 2010
- Director at PPK (a foreign company) until 2010
- Director at Ebly (SAS) until 2010
- GMC Chairman of Moulin Nemours (SASU) until 2009
- GMC Chairman of Minoterie Gautier David (SASU) until 2009
- GMC Chairman of Moulin Finistère (SASU) until 2010
- GMC Chairman of Moulins Marsan, until 2009
- Chairman of Ets A.Hebert (SASU) until 2010
- Chairman of Amo Moulin du Temple (SASU) until 2010
- President and CEO of MFS (SA) until 2010
- Chairman of Boortmalt Finance (Belgium) until 2009
- Chairman of Boortmalt International (a foreign company) until 2010
- Chairman of Boortmalt n.v. (a foreign company) until 2010
- Chairman of Boortmalt Overseas (a foreign company) until 2010
- Chairman of Copagest (a foreign company) until 2010

- Chairman of MBM (Belgium) until 2009
- Chairman of Boortmalt India (India) until 2010
- Chairman of Slavonija Slad (Croatia) until 2010
- Chairman of Force Centre (SASU) until 2010
- Chairman of Agralys Thoreau (SAS) until 2010
- Chairman of Jean Louis Boulet (SASU) until 2010
- Managing director of Jean Louis Blanc (SARL) until 2010
- Chairman of Morize (SASU) until 2010
- Chairman of Ghlin (Belgium) until 2010
- Chairman of Belgomat (Belgium) until 2010
- Director at Boormalt UK (UK) until 2010
- Director at Minch Sales Ltd until 2010
- Director at Minch Mlat Ltd until 2010
- Director at Global GMP Malting Services Ltd until 2010
- Director at WB NUNN until 2010
- Director at Zadkine Ltd until 2010
- Director at Pauls Malt, until 2010

PIERRE-HENRI RICAUD

Independent member of the Manitou Group Board of directors since December 2009

Nationality: French

Business Address: 5 place des Ternes 75017 Paris

Experience and management expertise:

- Director Mergers and Acquisitions EADS (2003-2006), General Secretary EADS (2000-2003), Founder and Managing director of the financial and strategic consulting firm Pragma (since 2007).

Other offices currently held (Manitou Group):

- Alternate member of the Compensation committee since December 2009
- Member of the Audit committee since December 2009

Other offices held in companies independent of the group:

- Managing director of the financial and strategic consulting firm Pragma since 2007
- Director at Recaero SA since May 2011
- Managing director of Fortum France SNC since June 2011

Other mandates in companies independent of the group that expired during the last five years:

- Director at Segula Technologies until 2012
- Director at Dassault Aviation until 2010

Over the past five years, none of these persons:

– has been convicted of fraud;

– has been associated in their capacity as an officer or director with a bankruptcy, receivership or liquidation;

– has been banned from managing or directing; and

– has been subject to incriminations or sanctions by public officials through statutory or regulatory authorities.

Potential conflicts of interest among administrative and management bodies

It should be noted that Jacqueline Himsworth, Marcel Braud, Gordon Himsworth, Sebastien Braud and Christopher Himsworth are all related by family ties.

It is also specified that Sebastien Braud is the Chairman of Actiman SAS, a Manitou Group dealer.

All regulated agreements are the subject of a special report by the Statutory auditors included in Section 8.4.2 of this document.

The non-independent Board members have performed executive functions within Manitou and other structures for a long time and have been holding administrative offices for many years.

Expiration of the current mandates

The members of the Board of directors were all appointed by the Shareholders' Meeting on December 17, 2009 for a period of four years expiring at the end of the Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2012.

The mandate of Mr Bamas, Chief executive officer since March 6, 2013 will expire on the date of the Shareholders' Meeting to approve the financial statements at 31.12.2016.

Service contracts and benefits granted

None

5.1.3 INDEPENDENCE OF BOARD MEMBERS

The group adheres to the MiddleNext's corporate governance code. The independence of Board members is assessed as according to the criteria of that governance code.

Three members of the Board of directors meet the independence criteria. The criteria evaluated in order to justify the independent nature are provided in recommendation R8 of the MiddleNext code. This independence is characterized by the lack of significant financial, contractual or family relations which might impair the independence of their judgement. Pierre-Henri Ricaud, Dominique Bamas and Joël Goulet are considered to have specific skills in finance or accounting. These skills are assessed in terms of their professional experience.

5.1.4 EVALUATION THE BOARD OF DIRECTORS AND OF THE SPECIALISED COMMITTEES

The Board performed an internal evaluation of its operation. Each Board member and the Chief executive officer presented their assessment on the basis of a questionnaire structured on the MiddleNext governance code and discussed it in the Board meeting of January 10, 2011.

The assessment was based on the Board's operations and that of its committees with respect to their preparation, conduct and follow-up.

These contributions have been analysed and summarized by an independent Board member, identifying strengths and weaknesses as well as areas for improvement. The report was discussed at the Board meeting on March 30, 2011.

Exchanges on the governance and operation of the Board and the committees were held during the year 2012.

5.1.5 EXECUTIVE MANAGEMENT

JEAN-CHRISTOPHE GIROUX

Chief Executive Officer from December 17, 2009 to March 6, 2013

Nationality: French

Business Address: 430 rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise:

- Graduate of the École des Hautes Etudes Commerciales (HEC) in France, Jean-Christophe Giroux began his career as an auditor at Mazars Guerard in London. Deputy CFO of Eurafrance and of de Gaz & Eaux, an investment subsidiary of the Lazard Group from 1994 to 1997, afterwards he worked as an investment banker at Lazard Frères & Cie in Paris from 1994 to 1997. He joined Alcatel in July of 1997 as Vice-President responsible for financial transactions and in charge of mergers and acquisitions. From July 2000 to September 2003, he was the Chairman and Chief Executive of Alcatel Optronics. He managed the Enterprises business at Alcatel as of October 2003 and Alcatel-Lucent France from 2007 to 2008. In 2009 he was appointed Chairman and Chief executive officer of the Manitou Group.

Mandates having expired during the last five years (Manitou Group):

- Chairman of the Executive Board from June 4, through December 17, 2009

Other offices held at companies related to the group:

- Chairman of Manitou Americas (United States) since December 2009
- President of Chariots Elévateurs Manitou Canada Inc. (Canada) since December 2009
- Representative of Manitou BF, Chairman of CFM SAS (France) since 2009
- CEO of HMME (China) since 2012

Other offices held in companies independent of the group:

- Chairman and Chief executive officer of Alcatel Lucent France until 2008

DOMINIQUE BAMAS

Chief Executive Officer of the Manitou Group since March 6, 2013

Nationality: French

Business Address: 3 rue Georges Bernanos 44100 Nantes

Experience and management expertise:

- Graduated from Audiencia (Nantes GE), degree in Chartered accounting, auditing experience (10 years), experience as group financial director (8 years), CEI in Spain and France (12 years)

Other offices currently held (Manitou Group):

- None

Mandates having expired during the last five years (Manitou Group):

- Independent member of the Manitou Group Board of directors until March 6, 2013
- Alternate member of the Audit committee (December 2009-2010)
- Member of the Supervisory Board (June - December 2009)
- Member of Audit committee (June - December 2009)
- Member of the Audit committee until March 6, 2013

Other offices held in companies independent of the group:

- Managing director of Upsides Dirigeant Conseil since 2011

Other mandates in companies independent of the group that expired during the last five years:

- CEO of Axereal (cooperatives) until 2010
- CEO of Axereal Participations (SASU) until 2010
- CEO of Epis-Centre (cooperatives) until 2010
- CEO of Berry Silos (cooperatives) until 2010
- CEO of Union 36 - Cape Nievre - Epis Centre-Nord
- Vallee du Cher - Epis Bocage - Valnord - Epis Sem (agricultural cooperatives company) until 2009
- CEO of Agralys (cooperatives) until 2010
- Representative director of Epis-Centre De Benp Lillebonne (SAS) until 2009
- Chairman of Grains Centre (SASU) until 2010

- President and CEO of Granite Négoce (SAS) until 2010
- Representative director of Granit Services de Silos du Sud (SAS) until 2010
- Chairman of TPR (SASU) until 2010
- Chairman of SMTP (SASU) until 2010
- Representative of Aria-Grains de Fertiberry (SAS) until 2010
- Deputy CEO at Ariane (SA) until 2010
- Chairman of TNA (SAS) until 2010
- Director at Force Centre (SA) until 2010
- Chairman of Cantin (SAS) until 2010
- Chairman of Semblancay (SA) until 2010
- Chairman of Ariane Meunerie (SASU) until 2010
- Chairman of Axiane Meunerie (SASU) until 2010
- Axiane Meunerie Managing director of SCI du Grillon until 2010
- GMC Managing director of SCI du Grillon until 2009
- Axiane Meunerie Managing director of SCI d'Anast until 2010
- GMC managing director of Anast (SCI) until 2009
- Axiane Meunerie Managing director of Maneros (SCI) until 2010
- GMC Managing director of Maneros (SCI) until 2009
- Axiane Meunerie Chairman of Le Coutelet (SCI) until 2010
- Chairman of Moulin Calix (SAS) until 2010
- Chairman of Moulin de la Gare (SASU) until 2010
- Chairman of Moulin Nemours (SASU) until 2010
- GMC Chairman of Le Coutelet (SCI) until 2009
- GMC Chairman of Moulin Saint Gabriel (SASU) until 2009
- Chairman of GMC (SASU) until 2009
- GMC Chairman of Agrofarines (SASU) until 2009
- GMC Chairman of Moulin Calix (SAS) until 2009
- GMC Chairman of Moulin de la Gare (SASU) until 2009
- GMC Chairman of Moulin Ile de France (SASU) until 2009
- GMC Chairman of Moulin du Sud Ouest (SASU) until 2009
- GMC Chairman of Lemadu (SASU) until 2009
- GMC Chairman of Lemaire (SASU) until 2009
- Director at Ratarstvo I Stocarstvo (a foreign company) until 2010
- Director at Sté Conserves du Blaisois (SA) until 2010
- Director at PPK (a foreign company) until 2010
- Director at Ebly (SAS) until 2010
- GMC Chairman of Moulin Nemours (SASU) until 2009
- GMC Chairman of Minoterie Gautier David (SASU) until 2009
- GMC Chairman of Moulin Finistère (SASU) until 2010
- GMC Chairman of Moulins Marsan, until 2009
- Chairman of Ets A.Hebert (SASU) until 2010
- Chairman of Amo Moulin du Temple (SASU) until 2010
- President and CEO of MFS (SA) until 2010
- Chairman of Boortmalt Finance (Belgium) until 2009
- Chairman of Boortmalt International (a foreign company) until 2010
- Chairman of Boortmalt n.v. (a foreign company) until 2010
- Chairman of Boortmalt Overseas (a foreign company) until 2010
- Chairman of Copagest (a foreign company) until 2010
- Chairman of MBM (Belgium) until 2009
- Chairman of Boortmalt India (India) until 2010
- Chairman of Slavonija Slad (Croatia) until 2010
- Chairman of Force Centre (SASU) until 2010
- Chairman of Agralys Thoreau (SAS) until 2010
- Chairman of Jean Louis Boulet (SASU) until 2010
- Managing director of Jean Louis Blanc (SARL) until 2010
- Chairman of Etablissements Morize (SASU) until 2010
- Chairman of Ghlin (Belgium) until 2010
- Chairman of Belgomat (Belgium) until 2010
- Director at Boormalt UK (UK) until 2010
- Director at Minch Sales Ltd until 2010
- Director at Minch Mlat Ltd until 2010
- Director at Global GMP Malting Services Ltd until 2010
- Director at WB NUNN until 2010
- Director at Zadkine Ltd until 2010
- Director at Pauls Malt until 2010

5.1.6 OTHER INFORMATION REGARDING THE EXECUTIVE MANAGERS

The following information is also specified:

Jacqueline Himsworth, Marcel Braud, Gordon Himsworth, Sebastien Braud and Christopher Himsworth are all related by family ties and Sébastien Braud is the Chairman of Actiman SAS, a Manitou Group dealer.

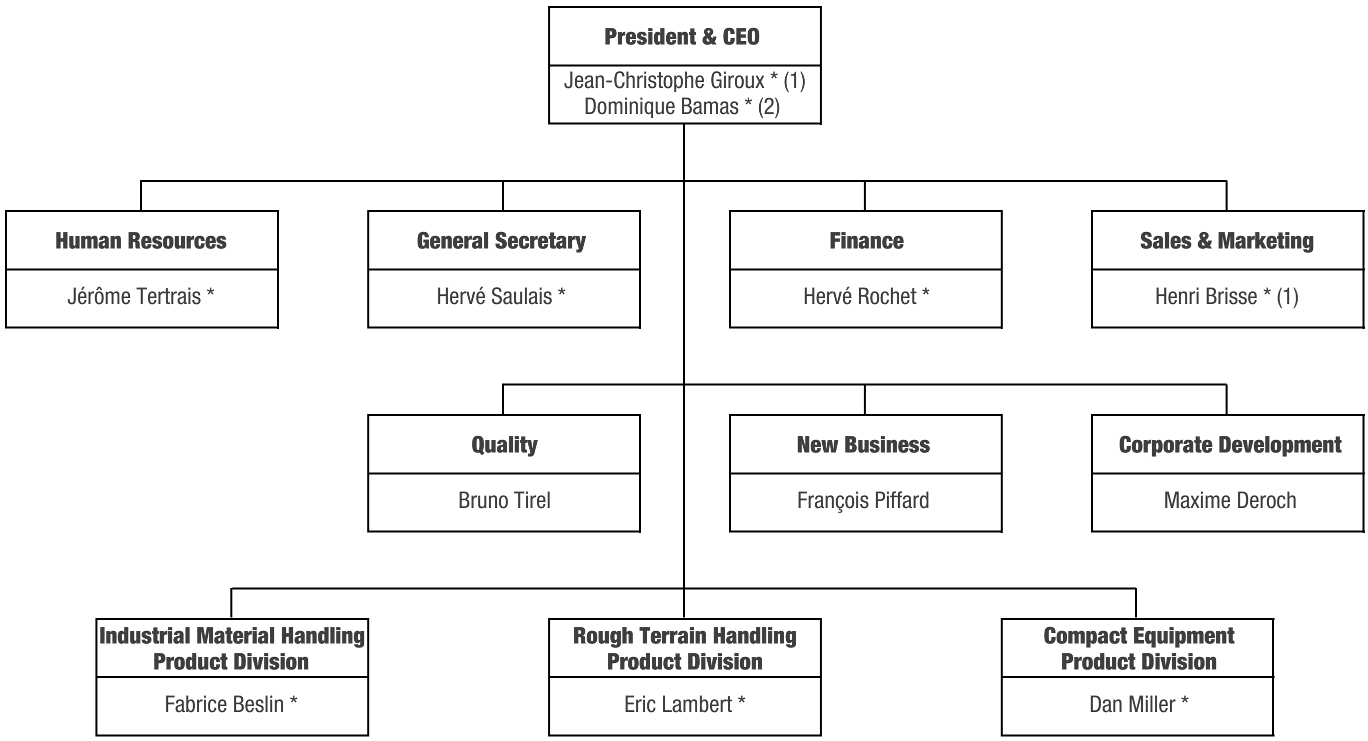
5.2 MANAGEMENT BODIES

THE GROUP EXECUTIVE COMMITTEE (8 MEMBERS)

The Executive Committee is composed of eight members: President & CEO, President of the RTH division, President of the IMH Division, President of the CE division, Vice-President Sales & Marketing, CFO, General secretary, Vice-President Human Resources

The Executive Committee meets once a week and several times a year within the framework of seminars.

GROUP ORGANISATIONAL CHART



* Member of Manitou Executive Committee (ComEx)
(1) Until March 6, 2013
(2) Since March 6, 2013

Each product division has its own dedicated management bodies which are organised and function in their own way.

5.3 COMPENSATION PAID TO THE ADMINISTRATIVE AND MANAGEMENT BODIES

5.3.1 EXECUTIVE COMPENSATION

INFORMATION ON THE COMPENSATION OF CORPORATE OFFICERS

In accordance with the provisions of Article L225-102-1 paragraph 2 of the Commercial Code, the total compensation and benefits paid to each corporate officer during the year are detailed below. In accordance with the MiddleNext code, the level of executive compensation is based on the following seven principles: completeness, balance, benchmark, consistency, readability, measurement and transparency.

Table 1: Summary of compensation, stock options and shares allocated to each corporate officer

In euros **Marcel Braud** *Chairman of the Board of directors*	2011	2012
Compensation due for the period (see details in table 2)	290,993	291,731
Value of options granted during the period (see details in table 4)		
Value of performance shares granted during the period (see details in table 6)		
Total	**290,993**	**291,731**

In euros **Jean Christophe Giroux** *President & Chief Executive Officer since December 17, 2009* *President of the Executive Board from June 2, 2009 to December 17, 2009*	2011	2012
Compensation due for the period (see details in table 2)	762,258	753,680
Value of options granted during the period (see details in table 4)	241,040	-
Value of performance shares granted during the period (see details in table 6)		54,970
Total	**1,003,298**	**808,650**
NB: Jean Christophe Giroux joined Manitou on June 2, 2009.		

Table 2: Summary of compensation paid to each corporate executive officer

In euros	2011		2012	
Marcel Braud *Chairman of the Board of directors*	Amounts due	Amounts paid	Amounts due	Amounts paid
- Compensation as Chairman of the Board of directors (in accordance with article L225-47)	143,374	143,374	147,783	147,783
- Fixed compensation related to SFERT	42,400	42,000	-	-
- Fixed compensation related to other group companies	58,527	58,527	104,564	104,564
- Attendance fees	45,000	32,250	36,000	45,000
- Benefits in kind	1,692	1,692	3,384	3,384
Total	**290,993**	**277,843**	**291,731**	**300,731**

In euros	2011		2012	
Jean Christophe Giroux *President & Chief Executive Officer*	Amounts due	Amounts paid	Amounts due	Amounts paid
- Director's fee	360,000	360,000	360,000	360,000
- Variable compensation	312,000	316,800	300,000	313,680
- Variable substitute compensation	83,694	148,700	87,116	102,664
- Attendance fees	-	-	-	-
- Benefits in kind	6,564	6,564	6,564	6,564
Total	**762,258**	**832,064**	**753,680**	**782,908**

For more information on the compensation of Jean Christophe Giroux, please refer to paragraph 5.3.2 of this document.

5.3.2 COMPENSATION OF EXECUTIVES AND CORPORATE OFFICERS

Table 3: Table of fees and other compensation received by the members of the Board

Board members		Paid in 2011 Related to 2010	Paid in 2011 Related to 2011	Paid in 2012 Related to 2011	Paid in 2012 Related to 2012
Marcel Braud	Attendance fees Manitou BF	9,750	22,500	22,500	22,500
	Compensation Manitou BF		143,374		147,783
	Compensation SFERT		42,400		
	Other compensation		58,527		104,564
Jacqueline Himsworth	Attendance fees Manitou BF		105,000		105,000
	Compensation Manitou BF				
	Compensation SFERT		77,333		
	Other compensation		457		
Gordon Himsworth	Attendance fees Manitou BF	18,750	29,250	9,750	29,250
	Other compensation		457		
Sébastien Braud	Attendance fees Manitou BF	18,750	29,250	9,750	29,250
	Other compensation				
Joël Goulet	Attendance fees Manitou BF	20,250	36,000	12,000	36,000
	Other compensation				
Serge Ghysdael	Attendance fees Manitou BF				
	Other compensation				
Dominique Bamas	Attendance fees Manitou BF	16,500	22,500	16,500	40,500
	Other compensation				
Christopher Himsworth	Attendance fees Manitou BF	27,000	29,250	15,750	29,250
	Other compensation				
Pierre-Henri Ricaud	Attendance fees Manitou BF	29,250	40,500	16,500	40,500
	Other compensation				
Total		**140,250**	**636,798**	**102,750**	**584,597**
Total Manitou BF only		140,250	457,624	102,750	480,033
Of which, attendance fees		140,250	314,250	102,750	332,250
Of which, compensation			143,374		147,783

Since 2010, the settlement of fees has changed from an annual payment to quarterly payments.

Table 4: Share subscription or purchase options allocated during the year to each corporate officer by the issuer or by any other group company

In accordance with the approvals provided by the Ordinary and Extraordinary Shareholders' Meetings of December 17, 2009, June 11, 2011 and June 7, 2012, stock option attribution plans were granted on May 19, 2010 and July 26, 2011 and June 28, 2012.

These option attribution plans were valued in the consolidated financial statements at their fair value at the dates granted. The main criteria for the valuation and recording of rights associated with this new plan are detailed in note 13.4 of the notes to the consolidated financial statements.

Options granted to each executive coporate officer by the issuer or any other group company	N° and date of plan	Type of options	Valuation method applied for the consolidated financial statements (IFRS2)	Number of options granted	Exercise price	Exercise period
Jean Christophe Giroux	19.05.2010 plan	Subscription	€178,777	68,400	€13.16	8 years
	26.07.2011 plan	Subscription	€241,040	41,920	€24.00	8 years

One quarter of the options are vested on each anniversary of the date granted subject to a condition of presence, a condition of an annual increase in the share price on the anniversary date and a rate of return on the shares which is defined as based on income per share on a fully diluted basis.

The beneficiaries are either members of the Executive Committee or certain management employees chosen based on their responsibilities within the group. For further details regarding the beneficiaries, please refer to note 13.4.1 of the notes to the consolidated financial statements.

Table 5: Subscription or purchase options exercised during the year by each executive corporate officer

In accordance with Article 223-26 of the AMF's general regulations, transactions of Manitou BF shares made by members of the management or supervisory bodies during the year can be broken down (in number of shares) as follows:

Exercised by executive corporate officers	N° and date of plan	Number of options exercised during the year	Exercise price
None			

Table 6: Performance shares granted to each executive corporate officer

Performance shares granted to each executive corporate officer by the issuer and any group company	N° and date of plan	Number of shares granted during the year	Valuation of shares per method applied for the consolidated financial statements	Purchase date	Availability date
Jean Christophe Giroux	28.06.2012	7,000	€54,970		

Table 7: Performance shares which became available for each corporate officer

Performance shares which became available for each executive corporate officer	N° and date of plan	Number of shares which became available during the year	Purchase conditions
None			

OTHER REGULATED INFORMATION

Corporate officers	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due as a result of termination or change of functions.		Compensation related to non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Marcel Braud Chairman of the Board of Directors Date term started: 17.12.2009 Date term expired: 17.12.2013	X			X		X		X
Jean Christophe Giroux Chairman of the Executive Board Date term started: 02.06.2009 Date term expired: 17.12.2009		X		X	X		X	
Jean Christophe Giroux President & Chief Executive Officer Date term started: 17.12.2009 Date term expired: 17.12.2013		X		X	X		X	

NON-COMPETE CLAUSE OF JEAN-CHRISTOPHE GIROUX

Jean-Christophe Giroux is obliged to refrain from competing with the group in France, the UK and Germany during the 12 months following the end of his term of office. In return, he will be paid a monthly indemnity for a period of one year following the termination of his term of office, equal to 50% of the fixed monthly compensation he received during the last month prior to the termination of his term of office. The indemnity mentioned above is compliant with the agreements referred to in Articles L.225-90-1 and subsequent of the French Commercial Code.

COMPENSATION OF JEAN-CHRISTOPHE GIROUX

– On 02.06.2009, subject to the approval of the company's Shareholders' Meeting, the Supervisory Board granted Jean-Christophe Giroux, for a period of three consecutive years and, for each of them, on the condition of achieving the performance criteria defined by the Board of directors, financial instruments providing access to Manitou's capital (such as free shares, stock options or a combination of the two in a ratio of four stock options for each free share), with the understanding that this annual allotment will be valued at 225,000 euros.

– On June 2, 2009, the Supervisory Board granted Jean-Christophe Giroux gross annual variable compensation equal to a maximum of 66.67% of the gross fixed compensation (mandate) provided during the reference year. For 2010 and subsequent years, the variable compensation is based on several quantitative and qualitative criteria of which the type, weight, and objectives have been quantified by the Board of directors.

All conditions related to Jean-Christophe Giroux's compensation package were adopted at the time of his appointment by the Supervisory Board on June 2, 2009 and approved by the Shareholders' Meeting of June 4, 2009. Those conditions were reiterated by the Board of directors on December 17, 2009 and approved by the Shareholders' Meeting of June 24, 2010, when the legal form of the company was changed.

Capping the gross annual variable compensation to 66.67% of gross annual variable compensation (mandate) provided during the reference year was cancelled by the Board of directors on January 31, 2012.

– On June 2, 2009, the Supervisory Board, referring to the AFEP-MEDEF recommendations of October 2008 and the provisions of Article L.225-90-1 of the French Commercial Code, set the severance package of Jean-Christophe Giroux at two years of annual fixed and variable compensation if termination occurs during the first 18 months of his term of office, and at one year of annual fixed and variable compensation should his termination occur after those 18 months have passed. This severance indemnity would be payable only in the event of non-renewal, of revocation of his appointment for any reason other than gross or wilful misconduct, or forced departure following a change of company control.

The payment of this indemnity is contingent upon the recognition by the Board of the payment of at least 50% of variable compensation at least once during the previous two full year periods, or the latest full year period closed. The conditions and benefits related to Jean-Christophe Giroux were approved at the Shareholders' Meeting of June 4, 2009 and reiterated at the Shareholders' Meeting of June 24, 2010.

ADDITIONAL INFORMATION RELATED TO THE COMPENSATION OF THE CORPORATE OFFICER

The variable portion of compensation paid in 2012 was based on the achievement of objectives related to sales revenue, income from continued operations for the 2011 period and the change in the group's return on capital employed.

Moreover, in 2012, John-Christophe Giroux received variable compensation which replaced the attribution of stock options that would have been granted to him for fulfilling his mandate during his first year of activity and that the company could not respect. In order to fulfil the company's commitment, the Board of directors meeting on 25.06.2010 decided to authorize the granting of variable compensation, for which the conditions are similar to the conditions defined for the stock options and, if those conditions are fulfilled, the amount of which is indexed to the value of shares on the bonus payment date, in order to permit him to receive an amount equal to the benefit he would have received had he received shares. The granting of such compensation shall be spread over a period of four years, as was the granting of the stock options it replaces. That amount is reported in the table detailing Jean-Christophe Giroux's compensation under the title Variable substitute compensation (valued on the basis of the last 20 days of Manitou share prices as at 31.12.2012).

5.4 AUDITORS

5.4.1 STATUTORY AUDITORS

Deloitte & Associés, registered member of the Regional Association of Statutory auditors of Rennes, represented by Thierry de Gennes, partner,

Impasse Augustin Fresnel – 44800 Saint-Herblain

Appointed on 07.06.2007

Mandate expires: At the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31.12.2012

RSM SECOVEC, registered member of the Regional Association of Statutory auditors of Rennes, represented by Jean-Michel Picaud, partner,

213, route de Rennes, BP 60277 – 44702 Orvault Cedex

Appointed on 07.06.2007

Mandate expires: At the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31.12.2012

5.4.2 ALTERNATE STATUTORY AUDITORS

Alain Pons, Alternate of Deloitte & Associates, registered member of the Regional Company of Auditors of Versailles,

Appointed on 07.06.2007

Mandate expires: At the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31.12.2012

Patrick Messus, Alternate of RSM SECOVEC, registered member of the Regional Company of Auditors of Rennes,

Appointed on 07.06.2007

Mandate expires: At the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31.12.2012

5.4.3 FEES PAID TO THE STATUTORY AUDITORS AND THEIR NETWORK

The fees recorded in 2012 by Manitou BF and its fully consolidated subsidiaries for the assignments entrusted to the college of Statutory auditors, their respective networks and their colleagues, are detailed in note 20 of the notes to consolidated financial statements.

5.5 OTHER INFORMATION

INFORMATION REGARDING THE GROUP'S INTERNAL CONTROL SYSTEM

Information regarding the group's internal control system is included in the report of the Chairman of the Board on the functioning of the Board and internal control.

INFORMATION REGARDING THE WORKS COUNCIL

The information contained in this report and the corporate and consolidated financial statements of Manitou BF have been submitted to the works council for review, as required by law.

6. MANITOU AND ITS SHAREHOLDERS

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6.1 GENERAL INFORMATION CONCERNING THE ISSUER

NAME

Manitou BF

REGISTERED OFFICE

430, rue de l'Aubinière
BP 10 249
44158 Ancenis Cedex – France

Téléphone + 33 (0)2 40 09 10 11

LEGAL FORM

A limited liability corporation under French law, the Board of directors being governed by the provisions of the French Commercial Code.

LEGISLATION GOVERNING ITS ACTIVITIES

The group designs, assembles and distributes high technology products that meet the standards set by administrative authorities as well as national and supranational organizations.

DURATION OF THE COMPANY

The company was founded on September 23, 1957, the date at which it was registered with the Nantes business registry. The company's duration is set at ninety-nine years (99) as of 03.06.1980.

CORPORATE PURPOSE

(Art. 3 of the company's by-laws)

The Company's purpose in France and in all countries includes:

All industrial and commercial transactions relating to:

– the operation of all industrial and commercial establishments aimed at the representation, concession, manufacture, purchase, sale, rental, import, export of all construction and lifting equipment and all agricultural and industrial equipment and the directly or indirectly associated spare parts;

– the creation, acquisition, rental, leasing, installation, operation of any establishments, factories;

– the purchase, acquisition, operation or disposition of any processes or patents related to those activities;

– the direct or indirect participation of the company in any commercial, industrial, or financing transaction that may be related to the corporate purpose, including the creation of new companies, investments in partnerships, mergers, alliances, joint-ventures or other;

– and generally, any financial, commercial, industrial, civil, securities or fixed assets transactions which may be directly or indirectly associated to any of the purposes specified, or any other similar or related purpose.

REGISTRY NUMBER AND APE CODE

RCS number and APE code:

857 802 508 RCS Nantes – Code APE 292 D – NAF 2822Z

FINANCIAL PERIOD

The financial period covers twelve months starting on January 1 and ending on December 31 of each year.

STATUTORY ALLOCATION OF PROFIT

Net gains for the financial period recognized in the annual financial statements, after deduction of general expenses and other personnel expenses, any depreciation or write-off of assets and all provisions for commercial and industrial risks constitutes the net profit.

Distributable profit is composed of net profit for the year less prior years' losses and amounts retained as reserves in compliance to the law or by-laws and increased by the amount of retained earnings.

The Shareholders' Meeting may resolve to distribute amounts deducted from the reserves at its disposal, in which case the decision will specifically indicate the reserve items from which those payments are to be deducted.

Apart from the case of a capital reduction, no distribution can be made to shareholders when the net assets are, or would become as a result of such distribution, less than the amount of the paid-in-capital plus reserves that the law or by-laws do not permit being distributed.

6.2 GENERAL INFORMATION ON THE SHARE CAPITAL

6.2.1 SHARE CAPITAL

At 31.12.2012, the share capital amounted to 39,548,949 euros, broken down into 39,548,949 shares with a par value of 1 euro per share, all of which were fully paid-in and of the same category.

6.2.2 CHANGES IN SHARE CAPITAL

During 2012 period, Manitou BF's Board of directors reported a capital increase of 1,125 shares for a total amount of €1,125.

That increase was related to the exercise of stock options during the 2011 period which had not been reported at 31.12.2011.

SUMMARY OF AUTHORITY AND POWERS ON CHANGES IN CAPITAL GRANTED BY THE SHAREHOLDERS' MEETING.

Date	Type	Subject	Validity period	Use made of this authority during the year
09.06.2011	Delegation of authority	To decide to increase the company's share capital by issuing – with pre-emptive subscription rights – shares and/or securities giving access to the company's share capital and/or securities entitling the holder to a distribution of debt securities and set to an overall ceiling of 8 million euros.	26 months	Unused
09.06.2011	Delegation of authority	To decide to increase the Company's share capital by issuing – with pre-emptive subscription rights – shares and/or securities giving access to the company's share capital and/or securities entitling the holder to a distribution of debt securities and set to an overall ceiling of 8 million euros.	26 months	Unused
09.06.2011	Delegation of authority	Decide on capital increases through the capitalisation of premiums, reserves, earnings or other and set to an overall ceiling of 8 million euros.	26 months	Unused
09.06.2011	Delegation of power	To potentially issue shares or securities giving access to the company's share capital without pre-emptive subscription rights in consideration of in-kind contributions concerning shares or securities giving access to the company's share capital limited to 10% of share capital set to an overall ceiling of 8 million euros.	26 months	Unused
07.06.2012	Delegation of power	Delegation of authority to the Board of directors to grant share subscription or purchase options set to a limit of 450,000 shares.	26 months	Unused
07.06.2012	Delegation of authority	Delegation of authority to the Board of directors to grant free shares from existing shares to salaried employees and officers of the group or certain salaried employees and officers among them set to a ceiling of 2% of total share capital.	26 months	Used by the June 28, 2012 plan for an amount of 0.2%.

DISTRIBUTION OF CAPITAL AND VOTING RIGHTS AT 12.31.2012

	% of capital			% of voting rights		
	2010	**2011**	**2012**	**2010**	**2011**	**2012**
Braud and Himsworth Families	63.19%	65.36%	65.43%	63.77%	65.83%	65.95%
Braud family branch (1)	10.62%	32.16%	32.16%	10.72%	32.39%	32.42%
Himsworth family branch (2)	5.48%	7.35%	7.35%	5.53%	7.41%	7.41%
Ancemat (3)	5.03%	5.12%	5.18%	5.08%	5.15%	5.22%
Wecanrent (3)	0.00%	5.18%	5.18%	0.00%	5.22%	5.22%
Coliphin Invest (3)	0.00%	5.18%	5.18%	0.00%	5.22%	5.23%
Trinity Group (3)	0.00%	5.18%	5.18%	0.00%	5.22%	5.22%
Sonafina (3)	0.00%	5.18%	5.18%	0.00%	5.22%	5.22%
SFERT (4) (Braud & Himsworth families)	42.06%			42.45%		
Généval (Societe Generale Group)	6.59%	6.26%	6.26%	6.65%	6.30%	6.31%
Toyota	2.98%	2.83%	2.83%	3.01%	2.85%	2.85%
Treasury shares	0.91%	0.70%	0.79%	-	-	-
Employee share ownership	0.79%	0.82%	0.81%	0.80%	0.83%	0.82%
Other	25.54%	24.02%	23.88%	25.77%	24.19%	24.07%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Floating	36.81%	34.64%	34.57%			

(1) The Braud family branch consists of: Marcel Braud, Lilianne Braud- Orhon, Marcel-Claude Braud, Sebastien Braud, Emilia Braud-Fischel , Catherine Braud, Valerie Braud-Walsh and the company HB Holding Braud.

(2) The Himsworth family branch consists of: Jacqueline Himsworth, Gordon Himsworth, Dominique Himsworth, Virginie Himsworth, Christopher Himsworth, David Himsworth, and the company Ancemat.

(3) Companies owned by Himsworth family members.

6.2.3 OWNERSHIP AND CONTROL

Manitou is controlled by the Braud and Himsworth families who together hold 65.43% of share capital. Manitou's Board of directors includes three independent directors, in the spirit of the MiddleNext Code of corporate governance, out of a total of nine directors and the functions of the Chief executive officer are separated from those of the Chairman of the Board of directors and were performed by Jean-Christophe Giroux until March 6, 2013 and by Dominique Bamas as of that date, both of whom are independent of the Braud and Himsworth families.

6.2.4 INFORMATION RELATED TO COLLECTIVE COMMITMENTS FOR THE RETENTION OF MANITOU SHARES

The family shareholders signed a shareholders agreement on 09.06.2011 which is valid for a period of 6 years and which carries the following stipulations:

– a commitment by each of the family branches to retain a number of Manitou shares representing at least 20% of the company's capital (i.e. a total of 40% of capital for the combined family investment);

– a right of first refusal in favour of members of the agreement on sales of shares having the effect of decreasing the investment of either family branch below 20% of Manitou's capital or of decreasing the entire investment of the two family branches below 40% of the company's capital, it being specified that the members of the selling family have preference for the purchase of shares sold;

– the governance of Manitou shall continue to be provided by nine directors, three directors appointed at the discretion of each of the family branches (for a total of six directors) and three independent directors unanimously appointed by Jacqueline Himsworth and Marcel Braud;

– the non-executive chairmanship of Manitou shall continue to be provided by Marcel Braud throughout the duration of the agreement;

– any transactions having a dilutive effect on capital and/or voting rights will be subject to the prior approval of the Manitou Board of directors acting on a majority of three-quarters.

Signature date	Type of commitment	Number of shares Percentage of share capital and voting rights	Term	Shareholders signatories
28/11/2011	Collective commitment to retain shares under Article 787 B of the French General tax code	12,719,721 shares representing 32.163% of share capital and voting rights	Minimum of two years from the registration of the commitment, automatically renewed for two years by tacit agreement	Braud family branch (1)
28/11/2011	Collective commitment to retain shares under Article 885 I Bis of the French General tax code	A total of 12,719,721 shares representing 32.163% of share capital and voting rights	Minimum of two years from the registration of the commitment, automatically renewed for a period of 12 months by tacit agreement	Braud family branch
29/06/2011	Collective commitment to retain shares under Article 787 B of the French General tax code	8,200,005 shares representing 20.73% of share capital and voting rights	2 year term from July 1st 2011 (Registered on June 29, date of Board meeting acknowledging the capital reduction on July 1st 2011)	- Himsworth family branch (2) with the exception of the company Ancemat - The company Wecanrent - The company Coliphin Invest - The company Trinity Group - The company Sonafina - Mr. Braud - Marcel-Claude Braud - Sebastien Braud
20/12/2011	Collective commitment to retain shares under Article 885 I bis of the French General tax code	10,250,009 shares representing 25.92% of share capital and voting rights	Effective December 31, 2011 for a two year period	- Himsworth family branch - The company Wecanrent - The company Coliphin Invest - The company Trinity Group - The company Sonafina - Mr. Braud - Marcel-Claude Braud - Sebastian Braud
20/12/2011	Collective commitment to retain shares under Article 885 I bis of the French General tax code	9,455,008 shares representing 23.91% of share capital and voting rights	For a two year period as of December 22, 2011 (registration date)	- Himsworth family branch with the exception of the company Ancemat - The company Wecanrent - The company Coliphin Invest - The company Trinity Group - The company Sonafina - Mr. Braud - Marcel-Claude Braud - Sebastian Braud

(1) The Braud family branch consists of: Marcel Braud, Lilianne Braud- Orhon, Marcel-Claude Braud, Sebastien Braud, Emilia Braud-Fischel , Catherine Braud, Valerie Braud-Walsh and the company HB Holding Braud.

(2) The Himsworth family branch consists of: Jacqueline Himsworth, Gordon Himsworth, Dominique Himsworth, Virginie Himsworth, Christopher Himsworth, David Himsworth, and the company Ancemat.

6.2.5 THE EXISTENCE OF AGREEMENTS FOR WHICH THE IMPLEMENTATION COULD RESULT IN A CHANGE IN CONTROL

None

6.2.6 OWNERSHIP THRESHOLDS

Under Article L. 233-7 of the French commercial code, any person or entity, acting alone or with others, who has just obtained a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30% 33.33%, 50%, 66.66%, 90% or 95% of share capital and voting rights of the company, must inform the Company and the French market authority, the AMF, with a letter indicating the total number of shares and voting rights held within five trading days of crossing the threshold. Threshold crossings reported to the AMF are publically disclosed by the AMF. This information is also transmitted within the same time frame and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If not declared according to regulations, the shares exceeding the fraction that should have been declared in accordance with the legal provisions mentioned above are denied voting rights at any Shareholders' Meeting held up to the completion of two years following the date of the correcting declaration.

Article 9 of Manitou's corporate by-laws further provides that any person or entity that, either directly or indirectly and either alone or with others, crosses (either upwards or downwards), the threshold of 2.5% of the capital or voting rights of the company (or any multiple of that threshold) must notify the company by registered letter with confirmation of receipt, within fifteen days of crossing that threshold, specifying their identity as well as the persons acting together with them. This requirement also applies to the holder of shares in accordance with the seventh paragraph of article L. 228-1 of the French Commercial code, for all shares for which he is registered to the account.

In case of non-compliance with the requirement to disclose statutory thresholds, the sanctions provided for in Article L. 233-14 of the French Commercial code shall apply, provided that such request, submitted by one or more shareholders holding at least 3% of the capital or voting rights, is recorded in the minutes of the Shareholders' Meeting.

6.2.7 DIVIDEND DISTRIBUTION POLICY

The Board will propose a dividend payment of €0.45 per share to the Shareholders' Meeting for the approval of the 2012 financial statements.

6.2.8 HISTORICAL DIVIDEND INFORMATION

In accordance with Article 243 bis of the French General tax code, it should be noted that the amounts of dividends distributed during the last three years and the corresponding tax credits in euros are the following:

Period	Number of shares	Net dividend
2009	37 809 040	0
2010	37 567 540	0
2011	37 547 824	0,30 €

6.2.9 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in the statutory auditor's report on regulated agreements and commitments found in the annual financial reports of Manitou relating to fiscal years 2010, 2011 and 2012 (www.manitou-group.com/investor relations).

6.2.10 LEGAL PROCEEDINGS AND ARBITRATION

There are no governmental, legal or arbitration proceedings, including any proceedings, of which the company is aware, that are pending or were threatened over the last 12 months, that may have or have had a material impact on the balance sheet or income statement of the company or the group.

6.2.11 SIGNIFICANT CHANGES IN THE FINANCIAL OR MARKET POSITION

To the knowledge of the company, there are no significant changes that will have or have had a material impact on the financial position of the company, its income and those of its group.

6.3 PUBLICALLY AVAILABLE DOCUMENTS

Legal documents relating to the Company may be reviewed at the registered office, 430 rue de l'Aubinière, 44150 Ancenis and on the Manitou website at www.manitou-group.com, including:

– Manitou's corporate charter and by-laws;

– All reports, correspondence and other documents, historical financial information;

– Manitou's historical financial information and those of its subsidiaries for each of the two fiscal periods preceding the publication of this document.

6.4 MANITOU SHARE DATA

SHARE LISTING

Manitou's shares have been listed since April 1984.
The Manitou share is listed on Compartment B of NYSE Euronext Paris.

SHARE CODE AND TICKERS

ISIN code:	FR0000038606
MNO:	MTU
Reuters code:	MANP.PA
BLOOMBERG code:	MTU.FP

Indices since March 21, 2011
CAC ALL-TRADABLE
NEXT 150
CAC ALL SHARES
CAC MID & SMALL
CAC SMALL
CAC INDUSTRIALS
CAC IND. ENGIN.

Eligibility of Manitou shares for the OSRD (Stock exchange orders with Deferred Settlement Service) Long only

SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Périod	Volume	Highest €	Lowest €	Month-end	Market Capitalization (In millions of euros)
January **2011**	611,148	21.07	16.03	20.99	789
February	912,754	24.99	20.90	23.85	896
March	799,990	24.97	20.03	21.40	804
April	526,879	23.33	20.17	22.83	858
May	354,930	23.60	21.15	21.79	819
June	443,578	21.80	19.00	20.95	787
July	560,344	23.29	19.80	21.28	841
August	1,215,325	22.27	13.85	15.98	632
September	1,259,236	16.00	10.50	11.95	472
October	1,235,401	15.50	10.01	14.61	577
November	794,530	14.27	10.45	11.93	472
December 2011	474,917	12.93	10.75	11.74	464
Total/ Highest/Lowest	**9,189,032**	**24.99**	**10.01**		
January **2012**	595,092	16.09	11.21	15.810	625
February	712,033	17.99	15.87	16.600	657
March	628,195	19.7	16.47	17.700	700
April	328,071	18.16	15.00	16.570	655
May	268,528	17.78	13.92	15.420	610
June	287,245	15.41	12.78	13.690	541
July	264,948	15.00	12.55	13.600	538
August	220,523	14.48	12.96	13.030	515
September	276,122	14.98	12.20	12.350	488
October	426,056	12.45	10.86	11.980	474
November	210,976	12.35	11.00	11.340	448
December 2012	471,926	13.1	11.25	13.000	514
Total/ Highest/Lowest	**4,689,715**	**19.7**	**10.86**		

Source: NYSE Euronext

7. ADDITIONAL INFORMATION

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7.1 THE CHAIRMAN'S REPORT IN APPLICATION OF ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

To the Shareholders,

In accordance to article 117 of the Financial Security Act of August 1, 2003 and in application of the provisions of article L.225-37 of the French Commercial code, I hereby present to you, in my capacity as Chairman of the Board of directors, the report on the corporate governance, internal control and risk management procedures.

In accordance with Article R.225-105 of the French Commercial code, referred to as the "Grenelle 2" law, I also present to you the directions taken by the company to take the social and environmental consequences of its businesses into account and fulfil its commitments to sustainable development.

The year 2012 permitted us to set the group's ambition and to define its CSR (Corporate Social Responsibility) strategy, its action plan and its objectives. Developed in strategic axes, the action plans are split on three commitments: "Creator of sustainable solutions", "Driven by the men and women of the Manitou Group", and "In close partnership with our supply chain".

Chapter 4 of the report, entitled "Corporate social responsibility (CSR)" details the actions and presents the data observed in the environmental, social and economic areas.

This report was prepared with the assistance of the Audit committee and the head of internal audit and control, and approved by the Board of directors on March 6, 2013.

7.1.1 CORPORATE GOVERNANCE

Since the month of August 2010, the company has been using the "MiddleNext" corporate governance code for mid-caps as a reference. This code was published in December of 2009 and is available on the website www.middlenext.com.

The company's governance complies with all of the MiddleNext code's recommendations. Only the evaluation of the Board's work (fifteenth recommendation) was not carried out in 2012, as it had been in 2011.

In addition, the Board of directors took note of the items presented under the heading "points of vigilance" which are essential provisions of the code.

At its meeting of December 17, 2009, the Shareholders' Meeting adopted a mode of governance with a separation of functions between a non-executive Chairman of the Board of directors and a Chief executive officer, the only corporate executive officer. This report details the three major powers of the governance, as defined by the MiddleNext code.

7.1.1.1 THE EXECUTIVE POWER: "THE CHIEF EXECUTIVE OFFICER"

The executive powers of the company are held by the Chief executive officer, a position provided for in the corporate by-laws and for which the powers are specified by the Board's internal regulations.

Thus, the Board's internal regulation provide that the CEO is responsible for implementing group strategy, whose medium-term directions are defined in a strategic plan approved by the Board. The Chief executive officer proposes an annual budget for the upcoming full-year period as derived from the strategic plan.

Moreover, the internal regulation lists a number of transactions for which the Chief executive officer must obtain the Board's prior approval.

The Chief executive officer does not cumulate an employment contract with the corporate office and the total of all fixed and variable compensation components, including severance indemnities, pension and stock option grants are described in Chapter 5 of the management report relating to corporate governance. All of these items have been voted by the Board of directors based on the recommendations of the Compensation committee and are included in a good governance process in accordance with recommendations R1 to R5 of the MiddleNext code.

Jean-Christophe Giroux, CEO, resigned from his position as a Board member in anticipation of the expiration of his mandate on June 28. He was replaced on an interim basis by Dominique Bamas.

7.1.1.2 THE SUPERVISORY POWER: "THE BOARD OF DIRECTORS"

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of directors was appointed by the Extraordinary Shareholders' Meeting of December 17, 2009 and is composed of nine members. The term of office, as provided for in the by-laws, is four years.

The Board of directors includes one woman among its members. It should include a second woman as of 2014, and thereby comply with calendar established by the law n°2011-103 dated January 27, 2011, also called the Copé Zimmermann law, related to the representation of women within Boards of directors.

In addition, three members of the Board of directors meet the independence criteria. The criteria evaluated in order to justify the independent nature are provided in recommendation R8 of the MiddleNext code. This independence is characterized by the lack of significant financial, contractual or family relations which might impair the independence of their judgement.

The composition of the Board of directors did not change during the year 2012:

– Marcel Braud, Chairman
– Jacqueline Himsworth, Vice-Chairwoman
– Sebastian Braud,
– Serge Ghysdael,
– Gordon Himsworth,
– Christopher Himsworth
– Joël Goulet, Independent member,
– Dominique Bamas, Independent member,
– Pierre-Henri Ricaud, Independent member.

In anticipation of the June 2013 expiration date, the Board of directors announced that it will propose two new names for the approval of the Shareholders' Meeting of June 28, along with the renewal of the current Board members' mandates: Marcel-Claude Braud will replace Serge Ghysdael and Agnès Michel-Segalen will replace Dominique Bamas as an independent Board member and member of the audit committee. Marcel Braud will continue to serve as non-executive Chairman and Jacqueline Himsworth as Vice-Chairperson of the Board.

OPERATION OF THE BOARD OF DIRECTORS

At its meeting of December 17, 2009, the Board of directors unanimously adopted undisclosed internal regulations which define the methods of its organization and operation. These regulations include the mission and operation of the Board of directors and its specialized committees which have been established in accordance with the legal and statutory provisions. The regulations also clarify the roles and powers of the Chairman and Executive management and the duties of each. As such, it includes a corporate Board member's charter detailing the rights and requirements to which Manitou's Board members are committed in the on-going concern for good corporate governance. These principles revolve around the duties of diligence, independence, transparency and confidentiality.

During the year 2012, the Board of directors met 14 times. Throughout the year, the group's business, strategic direction and projects in process are reviewed. During the year 2012, particular attention was given to major projects related to the reorganization of the group's processes (product range plan, a logistics and industrial scheme…). These multi-year projects provide the foundation for the construction of the business plan.

Board meetings were convened by the Chairman and held at the headquarters or, in exceptional circumstances, via a secure telephone line. The Board's meeting of July 19, 2012 was held at the Candé site, (in the Maine & Loire regions in France), the production unit for aerial work platforms.

Each Board member and each employee representative convened was sent all documents and information prescribed by law and necessary to achieve their mission in sufficient time prior to the meetings.

The minutes to the Board meetings are systematically written and submitted to each member for approval. The average attendance rate at Board meetings in 2012 was 97%.

The Statutory auditors were convened to the Board meetings related to the review of the half-year and annual financial statements in accordance with Article L.823.17 of the French Commercial code.

The directors are compensated in the form of tokens whose distribution is decided by the Board based on the opinion of the Compensation committee, according to the directors' attendance and the time they devote to their activities, including their participation in specialized committees. The Chairman of the Board receives special compensation under article L.225-47 of the French Commercial code, presence tokens, and, as of the merger-absorption of SFERT by Manitou BF, compensation from an employment contract. The details for the total of all compensation are provided in Chapter 5 of the management report on corporate governance.

An evaluation of the Board of directors' performance was not performed in 2012. An action plan, which was put in place following the assessment carried out in 2011, was further pursued in 2012. There will be a new evaluation in 2013.

As previously mentioned, the Board's activities in 2012 were concentrated on the group's major reorganizations.

SPECIALIZED COMMITTEES

The Board of directors includes four specialized committees responsible for examining matters within the scope of their assignment and submitting their views and recommendations to the Board.

The Audit committee

The Audit committee consists of Jacqueline Himsworth, Chairwoman, Dominique Bamas and Pierre-Henri Ricaud.

All three committee members hold expertise in finance or accounting. Those skills are assessed with regards to their education and professional experience.

The primary responsibilities of the Audit Committee are to ensure:

– the accuracy and fair presentation of the financial statements and all financial disclosures,
– the quality of internal control and risk management procedures,
– the independence of the Statutory auditors.

In 2012, the Audit Committee met eight times. Each meeting has been the subject of a report and the audit committee has intervened regularly with the Board to provide its recommendations and conclusions. The Audit committee's interventions are systematically included in the minutes of the Board meetings.

During 2012, the Audit Committee met in the presence of the Statutory auditors prior to the full-year and half-year closings. It reviewed all of the internal audit reports and the tools and internal control procedures in place, which were presented by the Head of audit and internal control. During its meetings, it met regularly with the Financial director, mainly related to financial and tax issues and financing strategies.

The Compensation committee

The Compensation committee consists of Joel Goulet, Chairman, Serge Ghysdael and Christopher Himsworth. Pierre-Henri Ricaud serves as an alternate member.

The main functions of the Committee are to prepare the Board's work related to compensation:

– for Board members, by making proposals regarding the allocation of presence tokens in accordance with the criteria contained in the internal regulations, and the compensation awarded to any Board members who may have been assigned ad-hoc assignments;

– for the Chief executive: by deciding on his compensation package, retirement and insurance plans, benefits in-kind and related rights; by proposing variable compensation rules consistent with the group's strategy and the associated assessment axes and in reviewing their application; by ensuring compliance with the transparency requirements of the company on such compensation, including the annual report; by proposing a policy for granting long-term instruments, taking into account formulas permitted by law and their consequences.

More broadly, once a year, the Committee is kept up-to-date on the compensation policy in force within the group for the various employee categories.

The Compensation committee met four times during the year 2012 and its work has been the subject of reports to the Board of directors.

Following the change of governance, Dominique Bamas' replacement will be appointed at the Shareholders' Meeting of June 28, 2013.

The Strategic committee

The Strategic Committee consists of Marcel Braud, Chairman, Sébastien Braud, Joël Goulet, and Gordon Himsworth. Christopher Himsworth serves as an alternate member.

Its main functions are to assist the Board in developing the strategy. It prepares the Board's work related to the strategic plan, any proposed strategic alliances, technological cooperation, industrial partnership, diversification, or affecting the business activity portfolio, and any major investments or divestments.

The Strategic committee met three times in 2012, each time in the presence of the Chief executive officer.

The Development committee

The Development committee consists of Marcel Braud and Jacqueline Himsworth. Sebastien Braud and Gordon Himsworth serve as alternate members.

The Development committee's objective is to access the status of the business and projects in process and to act as a liaison for the entire Board and regularly provide them with information. It meets as specifically needed, which has not been the case in 2012, the issues having being dealt with in Board meetings.

7.1.1.3 THE SOVEREIGN POWER: "THE SHAREHOLDERS' MEETING"

Shareholders' Meetings are convened as provided for by law. They are held at the headquarters or at any other location specified in the notice. The terms for shareholder participation in the Shareholders' Meeting, defined in Article 20 of the by-laws, do not include any specific provisions.

Information concerning the company's capital is provided in Chapter 6 of the management report entitled "Manitou and its shareholders."

7.1.2 RISK MANAGEMENT AND INTERNAL CONTROL METHODS

Following the AMF's recommendation on July 22, 2010 related to "Risk management and internal control systems", it should be noted that, in writing this report, the company placed reliance on the framework and general principles of the AMF which were supplemented by its implementation guide for small and mid-cap companies.

In accordance with the AMF recommendation No. 2010-15 of December 7, 2010[3], the report's layout corresponds to the reference layout in order to ensure readability.

7.1.2.1 INTERNAL CONTROL OBJECTIVES

The internal controls procedures used at group companies are aimed at ensuring:

– compliance with laws and regulations,

– the application of internal instructions and guidelines established by Executive management,

– the effective functioning of processes, especially those intended to protect assets,

– the reliability of financial information,

– and, in general, the systems which contribute to the management of the businesses, the efficiency of operations and the efficient use of resources.

Like any control system, these procedures cannot provide an absolute guarantee that all risks are covered. These procedures are, above all,

(3) The AMF's additional report on corporate governance, executive compensation and internal control for small and medium caps with reference to the MiddleNext code of corporate governance.

intended to reduce their probability and potential impact through the launching of appropriate actions.

In addition to the internal control objectives mentioned above, the Manitou Group's internal control is based upon a Code of ethics put in place in January of 2010. It provides the framework of reference guidelines for honest and responsible business behaviour based on both the collective principles which the group has imposed upon itself as an institution and the individual behaviour to be respected by each employee.

7.1.2.2 ORGANIZATION

The internal control system is based on a clearly defined organization which was introduced in August of 2009 which is split into three product divisions and one sales and marketing management function which oversees four sales regions, and the support functions. The Executive Committee, whose composition is described in detail in this management report, meets every week with the Chief executive officer. The Presidents of the product divisions are supported by a steering committee which brings together all of the operating functions in their division.

This organization provides a framework which, through quarterly business reviews, permits the control of the businesses and the achievement of objectives for each product division and sales region.

In the fall of 2011, several reorganizations took place with, in the RTH division, the establishment of "Product Units" which have complete product lines under their management and the combination of all sales and marketing functions under the same management.

The Presidents of the group's three divisions bring together their management committees weekly for a review of their business, their financial and operating indicators and the projects in process. Sales and marketing management also meets weekly in the form of an MCSM "management committee for sales & marketing".

In addition, the group places reliance upon a manual for decision making and responsibility which is applicable to all group companies and covers the following areas:

– legal and regulatory requirements, including health, safety and environmental protection,
– financial transactions, including off-balance sheet commitments,
– the budgeting process,
– sales and marketing,
– purchasing,
– fixed asset management,
– human resources.

The internal control function is led by the Manager of internal control and auditing who reports, hierarchically, to the General Secretary of the group and, functionally, to the Audit committee, which underlines the independence of the function.

7.1.2.3 THE DISTRIBUTION OF INFORMATION

The internal distribution of relevant, reliable and timely information permits everyone to fulfil their responsibilities.

The budget process and the production of accounting and financial information are both structured and structuring processes which permit the organization and sharing of information and strategic objectives within the group.

THE BUDGET PROCESS

The budget process takes place in the fourth quarter of the financial year in process in order to provide a sufficient level of visibility of the business for the year and improved reliability on budget projections made for the upcoming year. The business assumptions are consolidated and reviewed by Sales & marketing management on the basis of information provided by each of the group's distribution subsidiaries.

Sales objectives are then shared with the Presidents of each product division in order to optimally adjust production to demand (production capacity control, taking into account the normative constraints - procurement, accordance with product launches). Finally, business assumptions are validated by the entire Executive Committee.

Based on the assumptions made and guidance provided by management, all group legal entities create a preliminary budget which is reviewed by the relevant financial and operational management.

The group performs a consolidation by division which is reported to each Division president and the Executive Committee. The Executive Committee shall decide as to priorities and objectives by division prior to submission to the Board of directors for approval.

PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

The consolidation packages for the full-year and interim periods are prepared by the subsidiaries in accordance with the Manitou Group's financial manual and transmitted to the consolidation department of the parent company.

The 2012 parent and group financial statements were prepared by the financial management with the assistance of a chartered accountant. They were reviewed by the Financial director and the Chief executive officer and approved by the Board of directors.

The consolidated financial statements and those of the parent company and the French subsidiaries have all been audited by the group's Statutory auditors. Each foreign subsidiary was audited in its own country. All of the financial statements and local auditors' comments were sent to the group's Statutory auditors and reviewed with the financial management.

The interim financial statements, prepared in accordance with IAS 34, are also subject to a limited review by the Statutory auditors.

As a reminder, in 2011, the group changed the presentation of its financial statements, evolving from the reporting of expenses by nature to the reporting of expenses by function in order to provide a more efficient overview of the financial statements.

The Statutory auditors presented the summary of their findings to the Audit committee on February 28, 2013. The Board of directors met on March 6, 2013 to approve Manitou's corporate and consolidated financial statements as at December 31, 2012.

7.1.2.4 RISK MANAGEMENT

The risk management process has been reinforced through an update of the risk map at year-end 2010.

That exercise, which was performed with the support of a consulting firm, permitted the 25 executives in the most significant positions within group to consider the key risks facing the entire group and as well as those more specific to their businesses. Its objective is to identify key risks, the degree to which they're controlled and to assess their potential impact on the group's financial position or image.

The risk map is shared with the Statutory auditors and reviewed by the Audit committee.

Following the mapping of risks, a project steering system for risk management was put in place at the beginning of 2011. The first step of that process was the identification of hedging plans sponsored by the Executive Committee members, for the 11 principle risks. Those action plans were reviewed by the Audit committee which made a specific communication to the Board on the work performed related to mapping and risk management. A review of the action plans put in place was made in 2012 and communicated to the Audit committee. In addition, an update of the risk map is planned in 2013.

The main risks faced by the Manitou Group are presented in detail in the "risk factors and management" chapter of the management report.

Like most large European companies, Manitou has been the target of several external fraud attempts during the year. The processes in place prevented them from succeeding. The sensitivity of employees to these issues has been strengthened by several initiatives:

– Two presentations given by an officer of the French counter-intelligence service (DCRI) permitted the sensitization of 400 persons to the current risks,

– The dissemination of a guide on the best practices for privacy and safety when traveling was made throughout the entire group,

– The implementation of a charter defining the rules related to the identification and dissemination of confidential information.

7.1.2.5 CONTROL ACTIVITIES

Internal audits are conducted according to an audit plan which is established by the Audit committee.

Five internal audits were performed in 2012:

– on the industrial purchasing process in the CE Division,

– on the industrial purchasing process in the RTH Division at the production entity in Italy (Manitou Italy),

– on the administration and security of the IT systems at Manitou BF,

– on the administrative, financial and sales processes at the subsidiary Manitou Asia in Singapore,

– on the administrative, financial and sales processes at the Polish subsidiary in Warsaw, Manitou Polska.

The findings of each audit were submitted to the Audit committee and Executive management. The reports, which contain recommendations and related action plans, are sent to the departments concerned, to Executive management, to the Statutory auditors and to the Chairman of the Board.

Moreover, the specific monitoring of recommendations made in the audit reports during the last three years were reiterated during the year 2012 and presented to the Audit committee, permitting it to monitor the progress on the implementation of internal controls and their efficiency. It appears that the rate of implementation, either total or partial, of the action plans following the audit recommendations, remained globally stable as compared to 2011 at 73%. However, it is significantly lower with respect to the actions fully implemented. Special attention will be given in 2013 to the implementation of action plans, including monitoring of the key recommendations in the quarterly "Business Review".

The work performed by the internal audit department is coordinated with that of the Statutory auditors by:

– regular exchanges between the Manager of auditing and internal control and the Statutory auditors,

– the distribution of the annual audit plan and, subsequently, each audit report issued,

– the participation of the Manager of auditing and internal control in the Statutory auditors' closing audit discussions (accounting closing and procedural reviews).

French original signed by

Marcel Braud

Chairman of the Board of directors

7.2 STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT

This is a free translation into English of the Statutory auditors' report issued in French prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory auditors of Manitou BF and in accordance with Article L.225-235 of the French Commercial Code (Code de Commerce), we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended 31 December 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:

– to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and

– to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

7.2.1 INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

– obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;

– obtaining an understanding of the work involved in the preparation of this information and the existing documentation;

– determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of the French Commercial Code.

7.2.2 OTHER DISCLOSURES

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

Orvault and Nantes, April 26, 2013
The Statutory auditors
French original signed by

RSM Secovec	**Deloitte & Associés**
Jean-Michel Picaud	Thierry de Gennes

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8.1 CONSOLIDATED FINANCIAL STATEMENTS

8.1.1 STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

In € thousands		31.12.2011	31.12.2012
Sales	Note 18	1,131,145	1,264,771
Cost of goods and services sold		(957,532)	(1,087,159)
Research and development costs		(16,596)	(21,555)
Selling, marketing and service expenses		(61,634)	(72,999)
Administrative costs		(42,528)	(41,066)
Other operating income and expenses	Note 23	(1,594)	3,462
RECURRING OPERATING INCOME		**51,262**	**45,454**
Impairment of assets		(981)	(20)
Other non-recurring income and expenses		2,655	1,028
OPERATING INCOME		**52,935**	**46,462**
Financial income		9,527	7,806
Financial expenses	Note 24	(18,555)	(17,871)
Net financial expenses		**(9,027)**	**(10,065)**
Share of profits of associates	Note 6	962	1,369
CONSOLIDATED INCOME (LOSS) BEFORE TAX		**44,870**	**37,766**
Income taxes	Note 17	(8,361)	8,378
NET INCOME (LOSS)		**36,509**	**46,145**
Attributable to equity holders of the Parent		**36,408**	**45,948**
Attributable to minority interests		**101**	**196**

Earnings per share (in euros)

Attributable to equity holders of the Parent	**0.95**	**1.17**
Attributable to minority interests	**0.94**	**1.16**

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE & COMPREHENSIVE INCOME

In € thousands		31.12.2011	31.12.2012
INCOME (LOSS) FOR THE YEAR		**36,509**	**46,145**
Adjustements in the fair value of available-for-sale financial assets		50	(475)
	Of which booked to equity		
	Of which transferred to income of the year		
Translation differences arising on foreign activities		2,559	(3,431)
	Attributable to equity holders of the Parent	2,540	(3,430)
	Attributable to minority interests	19	(1)
Actuarial gains (losses) on defined benefits plans		(5,736)	(2,977)
	Attributable to equity holders of the Parent	(5,733)	(2,976)
	Attributable to minority interests	(3)	(1)
Interest rates hedging instruments		(358)	1,437
	Attributable to equity holders of the Parent	(358)	1,437
	Attributable to minority interests	0	0
TOTAL GAINS & LOSSES BOOKED IN EQUITY		**(3,485)**	**(5,446)**
TOTAL INCOME & EXPENSE FOR THE PERIOD		**33,025**	**40,698**
	Attributable to equity holders of the Parent	32,907	40,504
	Attributable to minority interests	118	195

The other components of comprehensive income and loss are presented net of associated taxes.

8.1.2 STATEMENT OF FINANCIAL POSITION

ASSETS

In € thousands		31.12.2011	Net amount 31.12.2012
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	Note 4	138,176	132,262
INVESTMENT PROPERTY		3,752	3,470
GOODWILL	Note 3	294	294
INTANGIBLE ASSETS	Note 3	32,646	33,168
INVESTMENTS IN ASSOCIATES	Note 6	19,672	21,578
NON-CURRENT FINANCE CONTRACT RECEIVABLES	Note 10	8,732	4,743
DEFERRED TAX ASSETS	Note 17	4,911	20,102
NON-CURRENT FINANCIAL ASSETS	Note 7	5,505	6,626
OTHER NON-CURRENT ASSETS		2,648	1,508
		216,335	**223,751**
CURRENT ASSETS			
INVENTORIES & WORK IN PROGRESS	Note 8	307,872	313,686
TRADE RECEIVABLES	Note 9	238,830	224,462
CURRENT FINANCE CONTRACT RECEIVABLES	Note 10	22,808	9,515
OTHER RECEIVABLES			
Current income tax	Note 17	26,031	27,845
Other receivables	Note 12	31,029	32,194
CURRENT FINANCIAL ASSETS	Note 7	3,181	3,416
CASH AND CASH EQUIVALENTS	Note 7	42,680	21,908
		672,431	**633,026**
TOTAL ASSETS		**888,767**	**856,776**

LIABILITIES AND EQUITY

In € thousands		31.12.2011	Net amount 31.12.2012
Share capital	Note 13	39,549	39,549
Share premiums		44,645	44,645
Treasury shares		(9,243)	(9,280)
Consolidated reserves		306,068	329,427
Translation differences		(10,274)	(13,704)
Net profit (loss) – Group share		36,409	45,948
SHAREHOLDERS' EQUITY		**407,153**	**436,584**
MINORITY INTERESTS		**101**	**10**
TOTAL EQUITY		**407,255**	**436,595**
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS	Note 14	35,938	39,925
OTHER NON-CURRENT LIABILITIES		1,309	1,241
DEFERRED TAX LIABILITIES	Note 17	9,007	357
NON-CURRENT FINANCIAL LIABILITIES	Note 7		
Loans and other financial liabilities		65,444	11,536
		111,698	**53,060**
CURRENT LIABILITIES			
CURRENT PROVISIONS	Note 14	27,914	29,134
TRADE ACCOUNTS PAYABLE	Note 16	203,444	149,749
OTHER CURRENT LIABILITIES			
Current income tax	Note 17	4,857	2,067
Other liabilities	Note 16	67,671	69,255
CURRENT FINANCIAL LIABILITIES	Note 7	65,928	116,916
		369,814	**367,121**
TOTAL LIABILITIES		**888,767**	**856,776**

8.1.3 CONSOLIDATED SHAREHOLDERS' EQUITY

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

In € thousands	Share capital	Share premiums	Treasury shares	Reserves	Group net profit	Translation differences	Reva-luation surplus	TOTAL SHARE-HOLDER'S EQUITY (Group share)	Minority interests	TOTAL EQUITY
Balance at 31.12.2010	**37,568**	**439**	**(9,679)**	**332,917**	**(16,681)**	**(12,814)**	**908**	**332,659**	**177**	**332,836**
Income for the year 2010				(16,681)	16,681					
Income at 31.12.2011					36,408			36,408	101	36,509
SFERT merger	1,980	44,192		(5,285)				40,887		40,887
Dividends				0				0	(47)	(47)
Change in translation differences						2,540		2,540	19	2,559
Valuation differences under IFRS				(59)				(59)	(146)	(205)
Treasury shares			436					436		436
Actuarial (gain) losses on employee benefits				(5,733)				(5,733)	(3)	(5,736)
Change in consolidation scope & other	1	14						15	0	15
Shareholders' agreements										
Balance at 31.12.2011	**39,549**	**44,645**	**(9,243)**	**305,160**	**36,408**	**(10,274)**	**908**	**407,153**	**101**	**407,255**
Income for the year 2011				36,408	(36,408)					0
Income at 31.12.2012					45,948			45,948	196	46,145
Dividends				(11,774)				(11,774)	(201)	(11,975)
Change in translation differences						(3,430)		(3,430)	(1)	(3,431)
Valuation differences under IFRS				1,756				1,756		1,756
Treasury shares			(37)					(37)		(37)
Actuarial (gain) losses on employee benefits				(2,976)				(2,976)	(1)	(2,977)
Change in consolidation scope & other				(55)				(55)		(55)
Shareholders' agreements									(84)	(84)
Balance at 31.12.2012	**39,549**	**44,645**	**(9,280)**	**328,519**	**45,948**	**(13,704)**	**908**	**436,584**	**10**	**436,595**

8.1.4 CONSOLIDATED CASH FLOW STATEMENT

In € thousands			31.12.2011	31.12.2012
INCOME (LOSS) FOR THE YEAR			**36,509**	**46,145**
Less share of profits of associates			(962)	(1,369)
Elimination of income and expense with no effect on operating cash flow and not linked to operating activities				
+	Amortisation and depreciation		30,546	29,600
-	Provisions and impairment		(2,891)	(10,896)
-	Change in deferred taxes	Note 17	(4,901)	(20,799)
+/-	Income (loss) from non-current asset disposal		(216)	(2,021)
-	Change in capitalized leased machines		(3,895)	(3,741)
+/-	Other		(4,753)	766
EARNINGS BEFORE DEPRECIATION AND AMORTISATION			**49,438**	**37,686**
Changes in cash flows from operating activities				
+/-	Change in inventories	Note 8	(83,012)	(5,951)
+/-	Change in trade receivables		(47,211)	14,591
+/-	Change in finance contracts receivables	Note 10	51,351	24,782
+/-	Change in other operating receivables		(5,705)	(900)
+/-	Change in trade accounts payable		62,830	(52,967)
+/-	Change in other operating liabilities		7,430	1,919
+/-	Changes in taxes payable and receivable		(3,246)	(4,667)
+/-	Change in liabilities linked to finance contracts receivables		(24,923)	(20,246)
CASH FLOW FROM OPERATING ACTIVITIES			**6,952**	**(5,753)**
Changes in cash flows from investing activities				
+	Proceeds from sale of property, plant and equipment		387	3,802
+	Proceeds from sale of long-term investments		43	0
-	Purchase of intangible assets, property, plant and equipment (excl. rental fleet)		(18,178)	(22,780)
-	Decrease (increase) of other financial assets		(2,107)	(2,467)
-	Acquisition of subsidiaries or minority interests		0	0
-	Increase in capital of associates		0	0
+	Dividends received from associates		847	0
CASH FLOW FROM INVESTING ACTIVITIES			**(19,008)**	**(21,446)**
Changes in cash flows from financing activities				
+	Increase in capital		15	0
-	Decrease in capital		0	0
-	Merger		36,584	0
-	Dividends paid		(47)	(11,975)
+/-	Purchase / sale of treasury shares		469	5
+/-	Change in financial liabilities		(41,862)	(1,261)
+/-	Other		(2,401)	3,184
CASH FLOW FROM FINANCING ACTIVITIES			**(7,241)**	**(10,047)**
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS			**(19,297)**	**(37,247)**
Cash, cash equivalents and bank overdrafts at beginning of the year			52,778	34,216
Exchange gains (losses) on cash and bank overdrafts			736	541
CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR			**34,216**	**(2,489)**
CURRENT FINANCIAL ASSETS (REMINDER)			**3,181**	**3,416**

8.1.5 INFORMATION ON OPERATING SEGMENTS

The group is organized into three divisions:

- **Rough Terrain Handling Division** (RTH): assembly and distribution of rough terrain handling equipment.
- **Industrial Material Handling Division** (IMH): assembly and distribution of industrial handling and warehousing equipment.
- **Compact Equipment Division** (CE): assembly and distribution of compact equipment.

Assets, cash flows and liabilities are not allocated to the individual divisions, as the operating segment information used by the group's management does not include those items.

INCOME STATEMENT BY DIVISION

In € thousands	**RTH** Rough Terrain Handling	**IMH** Industrial Material Handling	**CE** Compact Equipment	**Other**	**31.12.2012** **Total**
Sales	856,620	162,948	245,203		1,264,771
Cost of goods & services sold	(741,435)	(140,931)	(204,792)		(1,087,159)
Research and development costs	(16,270)	(2,253)	(3,033)		(21,555)
Selling, marketing and service expenses	(48,653)	(11,891)	(12,455)		(72,999)
Administrative expenses	(24,239)	(5,658)	(11,169)		(41,066)
Other operating income and expense	1,588	374	1,500		3,462
RECURRING OPERATING INCOME	**27,611**	**2,589**	**15,254**		**45,454**
Impairment of assets		(20)			(20)
Other non-recurring income and expense	(52)	1,071	9		1,028
OPERATING INCOME	**27,559**	**3,640**	**15,263**		**46,462**

In € thousands	**RTH** Rough Terrain Handling	**IMH** Industrial Material Handling	**CE** Compact Equipment	**Other**	**31.12.2011** **Total**
Sales	796,303	146,938	187,904		1,131,145
Cost of goods & services sold	(671,828)	(129,668)	(156,036)		(957,532)
Research and development costs	(10,494)	(2,517)	(3,585)		(16,596)
Selling, marketing and service expenses	(42,682)	(9,224)	(9,728)		(61,634)
Administrative expenses	(23,501)	(7,443)	(11,584)		(42,528)
Other operating income and expense	(810)	121	(905)		(1,594)
RECURRING OPERATING INCOME	**46,987**	**(1,793)**	**6,067**		**51,261**
Impairment of assets	(964)		(17)		(981)
Other non-recurring income and expense	209	(397)	(1,415)	4,257	2,655
OPERATING INCOME	**46,232**	**(2,189)**	**4,635**	**4,257**	**52,935**

Income and expenses relating to the merger with SFERT that occurred on 09.06.2011 have not been allocated to the various divisions and are included in the "Other" column.

SALES BY DIVISION AND GEOGRAPHIC REGION

In € thousands	Southern Europe	Northern Europe	Americas	APAM	**31.12.2012** Total
RTH	317,690	360,000	58,050	120,880	856,620
IMH	120,466	22,870	5,477	14,135	162,948
CE	7,112	33,273	186,152	18,665	245,203
Total	**445,268**	**416,144**	**249,679**	**153,680**	**1,264,771**

In € thousands	Southern Europe	Northern Europe	Americas	APAM	**31.12.2011** Total
RTH	335,440	329,743	42,069	89,051	796,303
IMH	116,375	15,211	4,263	11,089	146,938
CE	10,173	28,187	131,778	17,766	187,904
Total	**461,988**	**373,141**	**178,110**	**117,906**	**1,131,145**

8.1.6 MANITOU GROUP CONSOLIDATION SCOPE AT 31.12.2012

	PARENT COMPANY	%	SUBSIDIARIES	%	SUBSIDIARIES
FULLY CONSOLIDATED SUBSIDIARIES	**MANITOU BF SA** Share capital 39 548 949 EUR 430, rue de l'Aubinière 44150 ANCENIS, France	100%	**MANITOU AMERICAS Inc.** Share capital 361 101 000 USD WEST BEND, Wisconsin, United States	100%	**GEHL POWER PRODUCTS, Inc** Share capital 100 USD YANKTON, South-Dakota, United States
				100%	**MUSTANG MANUFACTURING COMPANY, Inc.** Share capital 15 USD OWATONNA, Minnesota, United States
				100%	**COMPACT EQUIPMENT ATTACHMENTS, Inc.** Share capital 1 USD CEDARBURG, Wisconsin, United States
				100%	**GEHL Receivables II, LLC** Share capital 1 000 USD WEST BEND, Wisconsin, United States
				100%	**GEHL Funding, LLC** Share capital 1 000 USD WEST BEND, Wisconsin, United States
		100%	**CHARIOTS ELEVATEURS MANITOU CANADA Inc.** Share capital 20 000 CAD MONTREAL, Canada		
		99,5%	**MANITOU BRASIL MANIPULACAO de CARGAS LTDA.** Share capital 600 000 BRL SAO PAULO, Brazil	0,5%	
		100%	**COMPAGNIE FRANCAISE DE MANUTENTION** Share capital 1 320 000 EUR 510, bd Pierre et Marie Curie - 44150 ANCENIS, France		
		100%	**MANITOU ITALIA SRL** Share capital 5 000 000 EUR CASTELFRANCO EMILIA, Italy		
		99,4%	**MANITOU UK Ltd.** Share capital 230 000 GBP VERWOOD, United Kingdom	100%	**PLEDGEMEAD** Share capital 10 000 GBP VERWOOD, United Kingdom
		98%	**MANITOU BENELUX SA** Share capital 500 000 EUR PERWEZ, Belgium		
		100%	**MANITOU INTERFACE and LOGISTICS EUROPE** Share capital 500 000 EUR PERWEZ, Belgium		
		100%	**MANITOU DEUTSCHLAND GmbH** Share capital 2 750 000 EUR OBER - MÖRLEN, Germany		
		100%	**MANITOU PORTUGAL SA** Share capital 600 000 EUR VILLA FRANCA, Portugal	57,0%	**EPL CENTRO** Share capital 50 000 EUR POMBAL, Portugal
		100%	**MANITOU MANUTENCION ESPANA SLU** Share capital 200 000 EUR MADRID, Spain		
		100%	**MANITOU VOSTOK LLC** Share capital 350 000 RUB BELGOROD, Russia		
		100%	**MANITOU POLSKA Sp z.o.o.** Share capital 200 000 PLN RASZYN, Poland		
		100%	**MANITOU NORDICS SIA** Share capital 170 000 LVL RIGA, Latvia		
		100%	**MANITOU SOUTHERN AFRICA PTY Ltd.** Share capital 796 875 ZAR SPARTAN EXTENSION, South Africa		
		86%	**MANITOU AUSTRALIA PTY Ltd.** Share capital 400 000 AUD ALEXANDRIA, Australia		
		100%	**MANITOU ASIA PTE Ltd.** Share capital 400 000 SGD SINGAPORE		
		100%	**MANITOU SOUTH ASIA PTE Ltd.** Share capital 9 400 000 INR GURGAON, India		
		100%	**MANITOU CHINA Co Ltd.** Share capital 7 900 000 USD HANGZHOU, China		
ASSOCIATES		49%	**MANITOU FINANCE FRANCE SAS** Share capital 4 682 220 EUR PUTEAUX, France		
		49%	**MANITOU FINANCE Ltd.** Share capital 2 870 000 GBP BASINGSTOKE, United Kingdom		
		30,4%	**ALGOMAT** Share capital 20 000 000 DZD ALGER , Algeria		
		50%	**HANGZHOU MANITOU MACHINERY EQUIPMENT Co Ltd.** Share capital 3 000 000 USD HANGZHOU, China		

The percentages shown are percentages for both capital and voting rights which are equivalent.

8.1.7 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31.12.2012

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF SA is a French corporation (société anonyme) with a Board of directors under French law with capital of 39,548,949 euros consisting of 39,548,949 fully paid shares with a par value of €1 per share. The shares, which had been listed in compartment "A", have been listed in compartment "B" of the NYSE Euronext Paris since January 21, 2009.

The parent company's headquarter address, which is also the group's main production site, is:

430 rue de l'Aubinière - BP 10249 - 44158 - Ancenis Cedex France.

The Company is registered at the Nantes Trade and Companies Registry in Nantes under number: **857 802 508 RCS Nantes - SIRET : 857 802 508 00047 Code APE : 292 D - Code NAF : 2822Z.**

INFORMATION ON SHARES AND SHARE CAPITAL

The shares are listed in compartment "B" of Euronext Paris. The number of shares which were floating at 31.12.2012 amounted to 13,671,707, representing 34.57% of the share capital.

FINANCIAL INFORMATION RELATED TO THE CLOSING OF THE FINANCIAL STATEMENTS

The Manitou Group's consolidated financial statements were approved by the Board of directors on March 6, 2013.

CHANGES IN THE CONSOLIDATION SCOPE

During the 2012 period, the group continued the simplification of its legal structure:

– The Italian company Manitou Costruzioni Industriali absorbed its subsidiary OMCI in September of 2012. The new Italian organization adopted the name Manitou Italia.

– Regarding the company DLS, it was absorbed by its holding company Manitou Benelux after discontinuing its local rental business and the sale of its rental fleet to a third party.

– Manitou Turkey (a dormant company) was liquidated in October of 2012.

During the first half of 2012, the group created a distribution subsidiary in Brazil, Manitou Brasil Manipulacao de Cargas LTDA, 99.5% owned by Manitou BF and 0.5% by Manitou Americas. In the second half, the distribution subsidiary, Manitou Nordics, which is based in Latvia, was created. It is 100% owned by Manitou BF.

NOTE 1 – ACCOUNTING PRINCIPLES

▸ NOTE 1.1 - STANDARDS AND INTERPRETATIONS APPLIED

The financial statements of the Manitou Group at 31.12.2012 were prepared according to IFRS as adopted by the European Union at the closing date.

NEW STANDARDS FOR WHICH APPLICATION WAS REQUIRED FOR THE 2012 FINANCIAL STATEMENTS

Amendment to IFRS 7 "Financial Instruments": Disclosures – "Transfers of Financial Assets" published in the Official Journal of the European Union in November 2011, is required to be applied as of 31.12.2012. This first application has no material impact on the financial statements as of 31.12.2012. Information related to receivables transferred is provided in note 7.2.

NEW TEXTS ADOPTED BY THE EUROPEAN UNION APPLICABLE IN ADVANCE

The Manitou Group did not apply any standards, amendments or interpretations published in the Official Journal of the European Union at 31.12.2012 for which the application was not required in 2012.

The impact of the application of revised IAS 19 "Employee benefits" (applicable as of January 1, 2013) is described in note 15 of the financial statements.

▸ NOTE 1.2 - MAIN VALUATION PRINCIPLES USED FOR THE PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared under the historical-cost principle with the exception of certain asset and liability categories which have been valued at fair value in accordance with the rules laid out by IFRS. The asset and liability categories concerned are specified in the notes below.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the accounting value of certain assets and liabilities, certain income and expense items, as well as certain information provided in the notes to the financial statements. Manitou regularly reviews the estimates and assumptions to take into account past experience and other factors that may influence the amounts reported in the financial statements. The Audit committee was also required to exercise judgment in the application of the group's accounting methods.

The main financial statements items placing reliance upon estimates and judgments are the following:

– recoverable value of intangible and tangible assets as well as their expected useful life (see notes 1.6 to 1.8),

– provisions, especially provisions for warranties and provisions for litigation (see Note 1.16),

– employee benefits (see note 1.17),

– valuation of stock options (see note 1.15),

– the treatment of agreements with minority shareholders (see note 1.12),

– the fair value of receivables from sales financing (see note 1.11)

▸ NOTE 1.3 - CONSOLIDATION METHODS

Manitou BF and the companies in which it has sole control, either directly or indirectly (the subsidiaries), are fully consolidated.

Companies in which Manitou BF, either directly or indirectly, exercises significant influence (affiliates), are accounted for using the equity method. The Manitou Group also opted for the use of the equity method in accounting for its joint ventures (joint-ventures).

With the exception of Manitou Finance Ltd, Manitou Finance France SAS, Algomat and Hangzhou Manitou Machinery Equipment Co Ltd, which were reported using the equity method, all companies were fully consolidated.

All the companies were consolidated on the basis of financial statements at 31.12.2012.

The Manitou Group has no special purpose entities. Moreover, no deconsolidation was performed in the year 2012 or in the prior year periods.

▸ NOTE 1.4 - FINANCIAL STATEMENT PRESENTATION: INCOME STATEMENT BY FUNCTION

In 2011, the group's financial statements were changed from a presentation by nature to a presentation by function in order to better fulfil the identified needs:

– to make the financial statements more easily readable, less expensive and more familiar to the operating staff,

– to manage a single indicator for performance measurement,

– to make financial information more accessible to international managers and investors.

The change in the presentation of financial statements had no impact on the main financial aggregates.

DEFINITION OF THE MAIN LINE ITEMS OF THE INCOME STATEMENT BY FUNCTION

Sales

Sales mainly consist of the sales of new handling equipment assembled within the group or acquired from third parties, of spare parts and attachment, of sub-contracts for industrial forklift truck masts, of equipment rentals, of equipment park management services and of other miscellaneous services.

Cost of goods and services sold

The cost of sales consists of the cost of goods and services sold which includes the cost of materials and components, labour directly attributable to the goods or services, as well as all related operating costs for the production and logistics activities. The depreciation and amortisation of intangibles, equipment and materials allocated to production activities, the costs of contractual guarantees and provisions for the impairment of inventories are also included in the cost of sales.

Gross margin

Gross margin on cost of sales is the difference between sales and the cost of sales.

Research and development expense

Research and development expense consists of personnel expenses for persons assigned to the innovation, development, design, prototyping and improvement of products. The businesses frequently use external services as well as dedicated equipment and materials for which the depreciation is allocated to the function.

Research and development activities that meet the criteria of feasibility and innovation can be capitalized as an intangible asset and subsequently amortized as a cost of sales. Those expenses not meeting the capitalization criteria are recorded directly as expenses.

Sales and marketing expenses

Selling expenses consist primarily of personnel expenses and costs related to missions assigned to sales development, coordination of dealer networks, marketing and technical services. Sales commissions, advertising expense, trade shows, insurance expense, sales guarantees, travel expenses and the amortisation of associated infrastructure are also included on this line item.

Administrative expense

Administrative expenses mainly consist of personnel expense and the costs associated with the support functions (human resources, finance, the general secretary, etc.). The amortisation of the infrastructure associated with these functions is also included.

Non-recurring income / expenses

The non-recurring income and expenses include the following items:

– any impairment recorded,
– restructuring costs,
– other transactions on consolidated shares.

NOTE 1.5 - CONVERSION METHOD ON FOREIGN OPERATIONS AND CURRENCY TRANSACTIONS

Conversion of financial statements and currencies

The financial statements of group companies whose functional currency is different from the reporting currency are translated as follows:

– assets and liabilities: the closing exchange rate on the balance sheet date,
– income and expenses in the income statement: average exchange rates for the period.

All exchange differences arising from those methods are recorded as a separate line item within shareholders' equity.

Upon consolidation, exchange differences arising from net investments in foreign operations are recorded directly in shareholders' equity. When a foreign operation is divested, any such exchange differences are recognized in the income statement as a profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

No company within the Manitou Group operates in a hyperinflationary economy.

Translation of foreign currency transactions

Transactions denominated in a currency other than the functional currency are translated using the exchange rate prevailing on the transaction date.

At the balance sheet date, receivables and debt denominated in a currency other than the functional currency are translated using the closing exchange rates. Exchange differences thus recognized are recorded in the income statement (with the exception of differences in financial assets available for sale and in the net investment in a foreign company).

The amounts recognized in the income statement are recorded:

– as financial income for translation differences relating to financial transactions,
– as other income or expense within operating income for the other translation differences.

NOTE 1.6 - BUSINESS COMBINATIONS AND GOODWILL

Identifiable assets acquired and identifiable liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date in accordance with the recommendations of Revised IFRS 3.

The excess of purchase price over the fair value of the share of assets acquired and liabilities assumed is recorded as goodwill.

Goodwill recorded is not amortized, but tested for impairment at least once a year and whenever evidence of impairment exists (see note 1.9).

Goodwill arising from the acquisition of affiliates is included in the value of those investments on the balance sheet.

NOTE 1.7 - INTANGIBLE ASSETS

THE DEVELOPMENT COSTS are recorded as an asset when all the following criteria have been met:

– the product or process is clearly defined and the costs attributable to the product or process can be separately identified and reliably measured;
– the product or process is new or represents a significant improvement to an existing product or process;
– the technical feasibility of producing the product or process can be demonstrated;
– the company intends to produce and market or use the product or process;
– there is a market for the product or process or, in case of internal use, its usefulness to the company can be demonstrated;
– sufficient resources exist and are available.

Those costs primarily include personnel costs assigned to the project, the portion of overhead dedicated to the development activity, the cost of external studies and the cost of creating prototypes.

Development costs incurred between the decision to begin development, the manufacturing of the new equipment, the testing phase and the pre-series production phase of that material are recorded as intangible assets. Amortisation of the asset begins when development is complete and the asset is ready to be put into service.

Costs incurred in connection with the implementation of an integrated information system (ERP) are recorded as an asset with respect to the part relating to the detailed design, programming, testing and documentation if it's likely that the future economic benefits attributable to the asset will flow to the entity and the cost of the asset can be measured and reliably monitored.

Costs related to prior studies, the functional analysis phase and user training are recognized as expenses in the period.

MEASUREMENT SUBSEQUENT TO INITIAL RECOGNITION: IAS 38 provides an opportunity to reassess all or part of the property after the date of transition. The group has decided not to pursue that option.

AMORTISATION is calculated according to the estimated useful lives of the various asset categories of goods and using the linear method. The depreciable amount is the difference between the cost of the asset and its residual value which is considered to be zero for all depreciable assets. The main depreciation periods are as follows:

– goodwill: 5 years,
– patents: 5 years,
– software: 3 years,
– complex information systems - ERP: 7 years,
– development costs: 5 years.

NOTE 1.8 - PROPERTY, PLANT AND EQUIPMENT

Initial recognition

The gross value of fixed assets is the historical cost of acquisition or production.

Regarding the per component approach, the principles currently applied are as follows:

– with respect to buildings, the "construction" portion itself (structure) and the portion "installations" (walls, electricity, compressed air systems, etc.) are subject to various depreciation periods (20 to 30 years for buildings and 10 years for installations).

– regarding industrial equipment and other tangible assets with a significant unit value (greater than €50K), depending on the nature of the components and the rate of their wear and tear, components for which the unit value exceeds 15% of the total value of the asset are also separated, in order to apply different depreciation periods.

DEPRECIATION is calculated according to the estimated useful lives of the various asset categories of goods and using the linear method. The depreciable amount is the difference between the cost of the asset and its residual value which is considered to be zero for all depreciable assets. The principal estimated useful lives are as follows:

– buildings: between 20 and 30 years depending on the quality of the buildings constructed;

– installations and improvements to land and buildings: 10 years;

– industrial equipment: between 3 and 7 years depending on the type of equipment;

– industrial tooling and moulds: 3 years;

– vehicles: 4 years for passenger cars, 5 years for large utility vehicles;

– office equipment and computers: between 3 and 5 years depending on the type of equipment;

– office furniture: 10 years.

Equipment given in rental

– Equipment subject to financing leases for the benefit of group companies have been capitalized when the unit value is greater than €15 thousand.

– Equipment subject to financing leases for the benefit of customers are not capitalized, whether related to previously capitalized equipment, financing leases (back-to-back leasing) or rental (back-to-back rental). Those assets are reported as receivables at an amount equal to the net investment in the leasing contract.

– Equipment subject to simple rental contracts to the benefit of customers are capitalized in the appropriate asset category.

▸ NOTE 1.9 - IMPAIRMENT OF ASSETS

Assets for which the expected useful life is not defined, for example goodwills, are not amortized and are tested annually for impairment. Amortized assets are reviewed at each balance sheet date to identify any evidence of impairment.

Whenever any evidence of impairment exists, the recoverable value of the asset group concerned (Cash Generating Unit), is evaluated. The Cash Generating Units correspond to coherent subsets that generate independent cash flows.

At the Manitou Group level, the main cash-generating units identified correspond to the production and marketing of handling equipment, the manufacturing of masts, the marketing of spare parts and attachment, as well as the financing for sales of handling equipment to end-users. The Cash Generating Units (or CGU) are integrated into the operating segments defined by the group.

The recoverable amount of an asset or group of assets is its fair value less disposal costs or its value in use, whichever is greater. The expected value in use is the discounted expected cash flow from the use of the Cash-Generating Unit under consideration.

The estimated cash flows are derived from five year plans approved by group management. The assumptions underlying the establishment of those plans include the developments in the markets within which the Cash Generating Units operate, the trends in the selling prices of the products, and the trends in the purchase prices of material and components. The discount rate is the weighted average cost of capital established by the group. That rate was calculated to be 10.25% for the 2012 period, however may be supplemented with a risk premium in markets outside Europe and the United States.

When the recoverable value is less than the net book value of the CGU under consideration, an impairment loss is recorded against non-recurring operating income and as a decrease in the value of the asset or asset group concerned.

▸ NOTE 1.10 - VALUATION AND WRITE-OFF OF INVENTORIES

The methods adopted for the valuation of inventory and the calculation of inventory write-offs are in accordance with IAS 2. Inventories are valued on the following basis:

– merchandise goods: valued at their weighted average cost,

– raw materials: valued at their weighted average cost,

– semi-finished products, work in-process and finished products: valued at the cost of production (raw materials at actual cost, machinery and labour at actual cost).

Work in process and finished goods are valued on the basis of a standard volume of activity.

In addition, provisions for the impairment of inventories were recorded when the net realizable value of goods and merchandise is less than their cost.

▸ NOTE 1.11 - VALUATION AND RECORDING OF FINANCIAL ASSETS

1.11.1 - receivables on sales financing

Receivables from sales financing are valued at their discounted value using the effective interest rate method. If objective evidence of impairment exists, a write-off for impairment is recorded. The loss amount is recorded in the income statement.

1.11.2 - securities available for sale

Minority equity investments in companies that are not controlled, or for which significant influence does not exist, are classified as "available-for-sale". Those securities are valued at their fair value at the balance sheet date and changes in fair value are recognized in consolidated reserves.

An impairment loss is recognized in the income statement when there is objective evidence of impairment. A significant or prolonged decrease in the fair value of securities held, below their cost, is objective evidence of impairment.

1.11.3 - cash and cash equivalents

The item "Cash and cash equivalents" includes cash and current bank accounts as well as investments with capital guarantees which are transferable or available for sale in the short term. All items are valued at their fair value against income.

1.11.4 - short-term financial assets

Short-term financial assets are valued at their fair value against income.

▸ NOTE 1.12 - VALUATION AND RECORDING OF FINANCIAL LIABILITIES

1.12.1 - borrowings and other financial liabilities

Borrowings are initially recognized at their fair value, net of directly attributable transaction costs. At the end of each closing period, these loans are valued and amortized cost using the effective interest rate method. Financial expenses therefore include interest expense and other costs incurred which are spread over the life of the loan.

1.12.2 - valuation of shareholder agreements (minority put options)

Manitou BF SA concluded shareholder pacts defining the terms for the repurchase of shares held by minority shareholders of fully consolidated subsidiaries. In the absence of a specific standard or interpretation, the fair value of the commitment to minority shareholders is recognized as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, against the group portion of shareholders' equity.

The change in the financial liability related to the change in the fair value of the commitment to minority shareholders from one period to another is also recorded as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, against the group portion of shareholders' equity.

▸ NOTE 1.13 - DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

1.13.1 - valuation

Derivative instruments are initially recorded at their fair value at the derivative contract closing date. They are subsequently revalued at their fair value at each closing date.

The fair value of foreign exchange options and forward contracts is estimated based on market conditions. Those related to interest rate derivatives reflect amounts the group would receive or pay to settle contracts outstanding as of the closing date.

1.13.2 - Documentation

As of the beginning of the transaction, the group documents the relationship between the hedging instrument and the hedged item, as well as its hedging policy. The group also documents its assessment of the highly effective nature of the hedging relationship at the beginning of each transaction and the end of each accounting period, prospectively and retrospectively.

1.13.3 - accounting treatment

The method of recognizing the gain or loss related to the revaluation at fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the hedged item.

All derivatives used by the group are designated as hedges on future cash flows. Therefore:

Accounting for hedge transactions

– The effective portion of changes in the fair value of derivatives satisfying the criteria for cash flow hedging instruments is recorded in equity. Amounts accumulated in equity are recorded in the income statement when the hedged item impacts earnings.

– The ineffective portion of changes in fair value is recorded directly in the income statement.

Classification in the income statement

– Gains or losses relating to the ineffective or the effective portion of foreign exchange hedging transactions are recorded in the income statement as "Other operating income and expenses" (hedging on cash flows from operations).

– Gains or losses relating to the ineffective or effective portion resulting from swaps or interest rate caps are recorded in the income statement as financial gains or losses.

▸ NOTE 1.14 - TREASURY SHARES

Treasury shares held by the group are recorded at their purchase price against shareholders' equity, regardless of their future attribution (IAS 32).

When securities are sold, the sale price is recorded directly to the shareholders' equity of the group. The related cash receipt is recorded in assets as cash and cash equivalents. No gain or loss is therefore recorded in the income statement.

▸ NOTE 1.15 - SHARE PURCHASE OPTIONS

Manitou bf share purchase options

In accordance with IFRS 2, stock options granted to employees and officers of the group after November 7, 2002 have been valued at their fair value at the grant date, defined as the date on which the Board of directors (or the Executive Board for years prior to 2009) agrees to grant the options to the employees or officers concerned. The stock options were valued using a binomial model based on the following assumptions measured at the grant date of each plan:

– exercise price,

– share price at grant date,

– estimated life,

– the risk free rates corresponding to the expected life of options (long-term zero coupon government bonds),

– estimated volatility,

– dividend rate per share.

These assumptions are described in note 13.4 of the consolidated financial statements.

The fair value thus determined is taken into account on a linear basis over the vesting period (4 years).

▸ NOTE 1.16 - PROVISIONS

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the group has a liability to a third party and it is probable or certain that it will require the removal of assets to the benefit of that third party without any consideration, or for consideration less than equivalent thereof.

Warranties

A provision is created to cover the estimated cost of warranties on machinery and spare parts at the time they are sold to either the sales networks or to end customers. It covers the contractual warranty as well as any potential extension, either following assessment or on a case by case basis. The provision is based on projections of historical statistical data.

A provision may also be recorded within the framework of a recall of specific equipment to resolve a significant or dangerous malfunction. In that case, the provision is calculated by applying the unit cost of upgrading the machinery concerned.

Restructuring measures / Termination benefits

The estimated costs of restructuring measures and termination benefits are recognized and recorded as a provision when they have been documented in a detailed plan and announced or the implementation thereof has been launched.

▸ NOTE 1.17 - EMPLOYEE BENEFITS

The group has put in place a number of employee benefit plans, defined contribution or defined benefit plans.

– The **defined contribution plans** are post-employment benefit plans under which the Manitou Group pays contributions to an independent entity. In this case, the group is not bound by any legal or implicit requirement which forces it to make additional contributions in the event that the assets are not sufficient to pay the benefits due for services rendered. The contributions are accounted for as an expense when they are due.
– The liabilities arising from **defined benefit plans** and their costs are calculated according to IAS 19 using the projected unit credit method. Liabilities for benefits provided are valued taking into account the demographic and economic assumptions specific to each concerned entity. They are discounted to their present value using a discount rate based on the highest quality bonds. The various categories of defined benefit plans present within the Manitou Group and the main assumptions used are detailed in note 15 of the consolidated financial statements.

Actuarial gains and losses generated by changes in assumptions were recorded in reserves at 31.12.2012 using the Statement of Recognized Income and Expense method (the SORIE method).

The net expense for the full-year period is the sum of several components: the costs of services rendered, the cost related to unwinding their capitalization, the expected return on plan assets and, if applicable, the cost of past services.

▸ NOTE 1.18 - INCOME TAX

In accordance with IAS 12 “Income Taxes”, deferred tax is recognized on all temporary differences between the book value of assets and liabilities and their fiscal value, according to the liability method. Deferred tax assets and liabilities are systematically recognized. Deferred tax assets are written-off depending upon the probability of their future use.

Within the same tax entity, the deferred tax assets and liabilities are offset, since it has the right to offset its current tax assets and liabilities payable.

In addition, the group considered the French CVAE, (Business Contribution on Value Added) had characteristics similar to certain other foreign taxes such as the Italian IRAP, which was already analysed by the issuers concerned as falling within the scope of IAS 12. In accordance with IAS 12, the total amount of current and deferred expense related to the CVAE is reported on the line item “taxes” in the income statement.

▸ NOTE 1.19 - ACCOUNTING TREATMENT FOR GRANTS

Government grants are recorded when there is reasonable assurance that they will be received and that the group will be able to comply with the conditions of the grant.

Grants related to depreciable assets are initially recorded as a liability in the balance sheet and reported in the income statement as amortized over the life of the related assets.

The research tax credit is recorded as income in the grant period.

▸ NOTE 1.20 - OPERATING SEGMENT INFORMATION

The group is organised around three operating divisions:

RTH Division (Rough Terrain Handling): The assembly and distribution of rough terrain handling equipment.

IMH Division (Manitou Industry) Industrial Material Handling: The assembly and distribution of industrial handling and warehousing equipment.

CE Division (Compact Equipment): assembly and distribution of compact equipment (equipment assembled by Manitou Americas).

In accordance with IFRS 8, the information by operating segments is prepared on the basis of the operational reports submitted to the group’s management. This information is prepared in accordance with the IFRS applicable to consolidated financial statements. They include the following items:

– sales,
– operating income,

which are the performance indicators used by the divisions.

▸ NOTE 1.21 - INCOME FROM ORDINARY ACTIVITIES

Sales amount to all proceeds from the sales of the group’s products as well as various proceeds from trading activities and services associated with sales. The amount is reported net of value added taxes, discounts, returns and allowances and after the elimination of intercompany sales.

Product sales are recorded when the risks and benefits associated with the products are transferred to the buyer, that is to say, when they are made available to the distribution network with respect to independent dealers, or, at the time of delivery to the end customer in the case of a direct sale. The margin is recognized immediately.

▸ NOTE 1.22 - CALCULATION OF EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For the calculation of diluted earnings per share, the profit attributable to ordinary shareholders of Manitou BF and the weighted average number of shares outstanding are adjusted for the effects of all potentially diluting ordinary shares.

NOTE 2 – CHANGES IN CONSOLIDATION SCOPE

During the 2012 period, the group continued the simplification of its structure:

– The Italian company Manitou Costruzioni Industriali absorbed its subsidiary OMCI in September of 2012. The new Italian organization adopted the name Manitou Italia.

– Regarding the company DLS, it was absorbed by its holding company Manitou Benelux after discontinuing its local rental business and the sale of its rental fleet to a third party.

– Manitou Turkey (a dormant company) was liquidated in October of 2012.

During the first half of 2012, the group created a distribution subsidiary in Brazil, Manitou Brasil Manipulacao de Cargas LTDA, 99.5% owned by Manitou BF and 0.5% by Manitou Americas. In the second half, the distribution subsidiary, Manitou Nordics, which is based in Latvia, was created. It's 100% owned by Manitou BF.

NOTE 3 – GOODWILL AND INTANGIBLE ASSETS

▸ NOTE 3.1 - CHANGE IN NET BOOK VALUE

Gross amount

In € thousands	**31.12.2011**	Additions	Disposal	Changes in scope & other	Translation differences	**31.12.2012**
Goodwill	**63,687**			**(981)**	**(1,287)**	**61,420**
Development costs	32,179	4,034	(71)	(28)	(121)	35,992
Trademarks	24,731				(478)	24,253
Other intangible assets	57,640	3,463	(1,091)	(52)	(517)	59,443
Total intangible assets	**114,551**	**7,496**	**(1,162)**	**(80)**	**(1,116)**	**119,689**

Depreciation and impairment

In € thousands	**31.12.2011**	Increases	Decreases	Changes in scope & other	Translation differences	**31.12.2012**
Goodwill	**(63,393)**			**981**	**1,287**	**(61,126)**
Other intangible assets	(12,385)	(3,571)	71	154	21	(15,710)
Trademarks	(24,731)				478	(24,253)
Other intangible assets	(44,788)	(3,259)	1,091	(97)	495	(46,558)
Total intangible assets	**(81,904)**	**(6,830)**	**1,162**	**57**	**995**	**(86,521)**

Net amount

In € thousands	**31.12.2011**	**31.12.2012**
Goodwill	**294**	**294**
Development costs	19,794	20,283
Trademarks		
Other intangible assets	12,852	12,885
Total intangible assets	**32,646**	**33,168**

The main investments in intangible assets in 2012 were related to development costs of €4 million and information systems of €3.1 million.
No impairment losses on intangible assets or reversals on the amortisation thereof were recognized in 2012 (see note 5).

As a reminder, impairment losses on intangible assets excluding goodwill at 31.12.2012 were as follows:

In € thousands	**31.12.2012**
Development costs	(173)
Trademarks	(24,253)
Other intangible assets	(23,561)
Total intangible assets	**(47,987)**

▸ NOTE 3.2 - DETAIL OF NET GOODWILL AT YEAR-END

		Net amount
In € thousands	**31.12.2011**	**31.12.2012**
MANITOU PORTUGAL SA	71	71
EPL CENTRO	6	6
MANITOU ITALY (ex OMCI)	174	174
Other	43	43
Total	**294**	**294**

▸ NOTE 3.3 - IMPAIRMENT OF GOODWILL

The primary criteria used in preparing impairment tests are detailed in note 5.

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

						Gross amount
In € thousands	**31.12.2011**	Addition	Disposal	Changes in scope & other	Translation differences	**31.12.2012**
Land	23,919	668	(899)	207	(60)	23,836
Buildings	126,120	2,476	(3,067)	808	(497)	125,839
Plant and equipment	132,380	5,412	(3,675)	2,169	(533)	135,753
Other property, plant and equipment	59,104	8,707	(3,056)	(6,167)	147	58,737
Property, plant and equipment in progress	1,038	2,964		(1,858)	(48)	2,096
Total	**342,561**	**20,227**	**(10,697)**	**(4,841)**	**(991)**	**346,260**

						Depreciation and impairment
In € thousands	**31.12.2011**	Increase	Decrease	Changes in scope & other	Translation differences	**31.12.2012**
Land	(5,289)	(364)		94	10	(5,549)
Buildings	(59,863)	(5,289)	2,893	(94)	137	(62,217)
Plant and equipment	(99,198)	(10,499)	3,521	42	353	(105,782)
Other property, plant and equipment	(40,034)	(6,356)	2,528	3,523	(113)	(40,451)
Property, plant and equipment in progress						
Total	**(204,385)**	**(22,508)**	**8,941**	**3,565**	**388**	**(213,998)**

		Net amount
In € thousands	**31.12.2011**	**31.12.2012**
Land	18,630	18,287
Buildings	66,256	63,622
Plant and equipment	33,181	29,971
Other property, plant and equipment	19,070	18,285
Property, plant and equipment in progress	1,038	2,096
Total	**138,176**	**132,262**

Investments in 2012 amounted to €20.2 million compared to €14.9 million in 2011. They consisted of €6.1 million of infrastructure (including €3.4 million for the various Manitou BF sites), €5.4 million of industrial tooling, €3.7 million of rental fleet equipment and, finally, €5.0 million for other projects.

NOTE 5 – IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The group performed impairment tests at December 31, 2012 that did not lead to additional write-offs for impairment nor the reversal of impairment at December 31, 2012.

IMPAIRMENT TEST OF THE COMPACT EQUIPMENT CGU

The net value of the Cash Generating Unit Compact Equipment at December 31, 2012 was compared to probable future cash flows. In cases where the amount recoverable was below the net asset value of the CGU under review, an impairment loss was recorded against operating income and as a decrease of the asset value or the value of the group of assets concerned. When the recoverable amount represented by the future cash flows was below the fair value of the assets or the groups of asset concerned, they were maintained at their fair value. In assessing the fair value of tangible assets, the group places reliance upon internal and external estimates.

As stated in note 1.9, the following criteria were used to determine the most likely future cash flows:

– the discount rate used was the weighted average cost of capital, which was equal to 10.25% as at 31.12.2012 versus 10% at 31.12.2011;

– the perpetual growth rate is 1% as of the sixth year.

– the margin rate on the cost of sales for the CGU over the long-term is similar to the 2012 margin rate (+0.6% in the last year of the plan).

The main assumptions used for determining the weighted average cost of capital are the following:

	31.12.2012	**31.12.2011** (reference)
Risk-free rate	2.13%	3.11%
Risk premium	6.93%	7.77%
Target tax rate	34.4%	34.4%
Pre-tax interest rates	Euribor 3M + 250bps	Euribor 3M + 250bps

Cash flows determined on this basis amounted to €149 million for a total net value of the CGU of €143 million.
The sensitivity of cash flows to changes in discount rates and growth assumptions is detailed in the table below.

In € thousands	**Cash flow impact (€M)**
Discount rate for cash flow of +0.5%	(9,9)
Growth rate to infinity -0.5%	(2,7)
Rate of operating profit on the ending value -0.5%	(10,5)

Because the amount of any impairment losses recorded is limited to the fair value of assets that make up the CGU under consideration, changes in assumptions would have no impact on the amount of impairment recorded.

NOTE 6 – INVESTMENTS IN ASSOCIATES

▸ NOTE 6.1 - CHANGES IN INVESTMENTS IN AFFILIATES

In € thousands	**31.12.2011**	Share of net income	Dividends	Increases in capital	Monetary inc.	**31.12.2012**
Manitou Finance France SAS	15,281	837				16,119
Manitou Finance Ltd.	2,041	538		503	64	3,147
Algomat	251				(14)	237
Hangzhou Manitou Machinery Equipment	2,098	(7)			(16)	2,076
Total	**19,672**	**1,369**		**503**	**34**	**21,578**

▸ NOTE 6.2 - SHARE OF EARNINGS AND EQUITY OF ASSOCIATES

	Earnings		**Equity**	
In € thousands	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Manitou Finance France SAS	837	700	3,548	2,710
Manitou Finance Ltd.	538	378	1,162	559
Algomat			163	177
Hangzhou Manitou Machinery Equipment	(7)	(116)	824	846
Total	**1,369**	**962**	**5,696**	**4,293**

▸ NOTE 6.3 - BREAKDOWN OF SIGNIFICANT ITEMS BY COMPANY

						31.12.2012
In € thousands	Activity	Sales	Net income	Total assets	Net assets	Percent ownership
Manitou Finance France SAS	Financing	8,626	1,709	161,274	32,895	49%
Manitou Finance Ltd.	Financing	2,764	1,099	84,994	6,422	49%
Hangzhou Manitou Machinery Equipment	Production	2,959	(14)	6,550	4,151	50%

						31.12.2011
In € thousands	Activity	Sales	Net income	Total assets	Net assets	Percent ownership
Manitou Finance France SAS	Financing	10,560	1,429	170,221	31,186	49%
Manitou Finance Ltd.	Financing	1,741	772	54,902	4,166	49%
Hangzhou Manitou Machinery Equipment	Production	3,193	(233)	5,119	4,197	50%

NOTE 7 – FINANCIAL INSTRUMENTS

▸ NOTE 7.1 - RECONCILIATION OF BALANCE SHEET LINE ITEMS - ASSETS

In € thousands	Available for sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	**Total 31.12.2011**
Non-current financial assets (Note 7.3)	4,208		2,418	6,626
Current financial assets (Note 7.4)		2,740	676	3,416
Cash and cash equivalents (Note 7.5)			21,908	21,908
Finance contracts receivable - non-current (Note 10)		4,743		4,743
Other non-current assets		1,508		1,508
Trade receivables (Note 9)		224,462		224,462
Finance contracts receivable - current (Note 10)		9,515		9,515
Other current receivables (Note 12)		32,194		32,194
Total	**4,208**	**275,161**	**25,002**	**304,371**

In € thousands	Available for sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	**Total 31.12.2010**
Non-current financial assets (Note 7.3)	4,613	28	864	5,505
Current financial assets (Note 7.4)		2,709	472	3,181
Cash and cash equivalents (Note 7.5)			42,680	42,680
Finance contracts receivable - non-current (Note 10)		8,732		8,732
Other non-current assets		2,648		2,648
Trade receivables (Note 9)		238,830		238,830
Finance contracts receivable - current (Note 10)		22,808		22,808
Other current receivables (Note 12)		31,029		31,029
Total	**4,613**	**306,784**	**44,016**	**355,412**

NOTE 7.2 - FINANCIAL ASSET TRANSFERS

Financial assets include receivables with a gross value of €7 million which were sold with limited recourse and thus reported on the balance sheet at 31.12.2012, a portion of the risk remaining with the group.

Transfers of receivables with limited recourse made until 2011 were accompanied by the establishment of a loss pool equivalent to 5% of the amount of receivables sold (pooled for each partner dealer) which remain the expense of the seller in the case of uncollectables. The maximum risk associated with the loss pools still in place amounted to €1.7 million at 31.12.2012. A write-off of doubtful accounts was recorded in the amount of €0.5 million at 31.12.2012.

No receivables were sold during the 2012 full-year period.

In € thousands	Receivables sold initially	Balance of receivables at 31.12.2012	Liabilities associated 31.12.2012
Transfers prior to 2009 (not fully settled)	111,434	1,683	(2,092)
2009 disposals	21,854	2,251	(2,431)
2010 disposals	10,755	2,809	(2,982)
2011 disposals	4,871	682	(728)
Total		**7,425**	**(8,233)**

NOTE 7.3 - NON-CURRENT FINANCIAL ASSETS

In € thousands	**31.12.2011**	Change	Fair value	Recycled	Translation differences	Changes in scope & other	**31.12.2012**
Available for sale shares:							
- Other shares	4,613	70	(475)				4,208
Derivatives							
Other non-current financial assets	892	1,751			(57)	(168)	2,418
Total	**5 505**	**1,821**	**(475)**		**(57)**	**(168)**	**6 626**

The companies SAVIM and Lucas G (100% owned) were classified as financial assets available for sale at 31.12.2012.

NOTE 7.4 - CURRENT FINANCIAL ASSETS

Marketable securities were valued at their fair value at the closing date:

In € thousands	**31.12.2012**	**Net amount 31.12.2011**
Loans and pre-payments	2,740	2,709
Miscellaneous	676	472
Total	**3,416**	**3,181**

NOTE 7.5 - CASH AND CASH EQUIVALENTS

In € thousands	**31.12.2012**	**Net amount 31.12.2011**
Cash and cash equivalents	21,571	41,488
Term deposits and other	8	522
Money market instruments and other	329	670
Total	**21,908**	**42,680**

NOTE 7.6 - RECONCILIATION OF BALANCE SHEET LINE ITEMS - LIABILITIES

The various categories of liabilities at the closing date are shown below. They are detailed in Note 7.6 below.

In € thousands	**31.12.2012**	**31.12.2011**
Non-current financial liabilities (Note 7.7)	11,536	65,445
Other non-current liabilities	1,241	1,309
Current financial liabilities (Note 7.7)	116,916	65,928
Trade payable (Note 16)	149,749	203,444
Other current liabilities (Note 16)	69,255	67,670
Total	**348,698**	**403,794**

▸ NOTE 7.7 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The valuation and accounting principles are described in note 1.12.

		Current
In € thousands	**31.12.2012**	**31.12.2011**
Short-term financing and bank overdrafts	24,398	8,465
Bank loans	77,660	27,975
Financing lease liabilities	3,620	3,570
Liabilities related to receivables securitised with recourse (note 10)	5,928	23,289
Liabilities related to foreign exchange derivatives	1,095	1,860
Other borrowings	3,644	282
TOTAL	116,345	65,440
Shareholder agreements and stock option plan liabilities (cash-settled)	571	488
Total	**116,916**	**65,928**

					Non-current
In € thousands		**31.12.2012**	One to five years	Over five years	**31.12.2011**
Bank loans					56,332
Financing lease liabilities		2,376	2,376		3,982
Liabilities related to receivables securitised with recourse (note 10)		2,305	2,305		3,456
Liabilities related to foreign exchange derivatives					1,673
Bonds		6,824		6,824	
Other borrowings		31	31		1
TOTAL	TOTAL	11,536	4,712	6,824	65,444
Shareholder agreements and stock option plan liabilities (cash-settled)					
Total		**11,536**	**4,712**	**6,824**	**65,444**

Bank loans mainly include a syndicated amortisable term loan with an initial value of €210 million, set up to finance the acquisition of Gehl and recorded as short-term financial debt at an amortised cost of €57.6 million at December 31, 2012.

7.7.1 Features of the main bank borrowings

	31.12.2012				
In € thousands	Current	Non-current	Currency	Expiry date	Effective rate
Syndicated loan - France (1)	57,610		EUR	T3/2013	3.49%
Syndicated loan - France (1)	20,050		EUR	T3/2013	1.17%
Limited recourse sales	5,928	2,305	USD	variable	5.84%

	31.12.2011				
In € thousands	Current	Non-current	Currency	Expiry date	Effective rate
Syndicated loan - France (1)	27,531	56,332	EUR	T3/2013	5.75%
Syndicated loan - France (1)			USD	T3/2013	
Limited recourse sales	23,289	3,456	USD	variable	5.67%

Bank borrowings mainly include:

(1) - A €210 million syndicated amortisable term loan put in place to finance the Gehl acquisition.

This credit agreement was originally related to a loan of €210 million payable on a linear basis over a five year period, a revolving line of credit for €40 million, plus a multi-currency line of credit for 45 million USD or the equivalent in euros with a secured guarantee against the company's accounts receivables.

The contract is subject to the following restrictive covenants:

– A gearing ratio (net debt (1) /equity) of less than one over the life of the loan.

– A decreasing leverage ratio (EBITDA(2)/net debt) as of 30/06/2011 (<6 at 30/06/2011, 4.2 at 31.12.2011, between 3 and 2.5 afterwards).

At 31.12.2012, the ratio of net debt to equity (gearing) amounted to 23.5% according to the credit agreement criteria and the leverage amounted to 1.54.

(1) Under the terms of the loan agreement, net debt and shareholders' equity have been restated for the impact associated with the shareholder agreements.

(2) EBITDA: Earnings before Interest, Taxes, Depreciation and Amortisation.

7.7.2 Features of bonds

	31.12.2012				
In € thousands	Current	Non-current	Currency	Expiry date	Effective rate
Bonds		6,824	EUR	T4/2018	5.95%

On November 7, 2012, Manitou BF issued bonds for €7 million euros which were fully subscribed by the Micado France 2018 funds. The bonds carry a fixed interest rate of 5.95% and are due on October 2, 2018.

7.7.3 Amounts due to financial institutions

Amounts due to financial institutions can be broken down as follows:

	31.12.2012		31.12.2011	
In € thousands	Amount authorized	Amount used	Amount authorized	Amount used
Short-term financing and bank overdrafts	105,200	4,348	58,507	8,465
Financing lease liabilities	5,996	5,996	7,552	7,552
Other bank borrowings				
- Term loans	78,467	78,467	87,309	87,309
- Revolving loans	74,106	20,050	64,345	

NOTE 7.8 - DERIVATIVES

Manitou decided to manage the interest rate risk on the Gehl acquisition debt (amortizable loan of €210 million at the variable Euribor rate 04.09.2008-04.09.2013) in order to ensure that financial expenses are secured at the maximum level. Under this policy, the group has set up swaps and interest rate caps. These derivatives are designated as hedges of future cash flows.

They were considered to be highly efficient at 31.12.2012.

The characteristics of the swaps at 31.12.2012 are as follows:

			31.12.2012
In € thousands	Fixed rate paid (average)	Notional	Fair value at 31.12.2012
Less than one year	2.95%	42,000	
1 to 2 years			
2 to 5 years			
Total notional amount at closing		**42,000**	**(799)**

			31.12.2011
In € thousands	Fixed rate paid (average)	Notional	Fair value at 31.12.2011
Less than one year	2.78%	75,000	
1 to 2 years			
2 to 5 years			
Total notional amount at closing		**75,000**	**(1,673)**

At December 31, 2012, the group held forward sales contracts to hedge future cash flows of British sterling, Australian dollars and South African rand denominated in euros in the amount of €43 million. It also held forward purchase contracts to hedge future cash flows of US dollars in euro in the amount of €26 million.

These hedges are considered efficient in the spirit of IFRS. The change in the fair value of these instruments is therefore recorded as a liability of €1.1 million with €1.1 million recorded against equity and the value of the forward points itself being recorded in financial income/expense as a gain of €33 thousand.

▸ NOTE 7.9 - ANALYSIS OF SENSITIVITY TO CHANGES IN EXCHANGE RATES

The analysis of sensitivity to changes in exchange rates was established based on the balances of receivables, debt, cash and financial assets available for sale at 31.12.2012 for the main currencies used by the group within the framework of its business.

The sensitivity amounted to a variance of plus or minus 5% on the value of the currencies concerned as compared to their rates at the year-end closing date.

Receivables and debt denominated in foreign currencies Detail by functional currency	AUD/EUR +5%	GBP/EUR +5%	USD/EUR +5%	ZAR/EUR +5%
EUR				
Receivables (AUD, GBP, USD, ZAR)	635	478	152	358
Debt (AUD, GBP, USD, ZAR)	(398)	(338)	(215)	0
Cash and cash equivalents (AUD, GBP, USD, ZAR)	400	244	505	0
S/ Total	636	384	441	358
USD				
Receivables (EUR)			(125)	
Debt (EUR)			103	
Cash and cash equivalents (EUR)			(7)	
S/ Total			(30)	
GBP				
Receivables (EUR)		(32)		
Debt (EUR)		24		
Cash and cash equivalents (EUR)		(11)		
S/ Total		(18)		
ZAR				
Receivables (EUR)				0
Debt (EUR)				199
Cash and cash equivalents (EUR)				(6)
S/ Total				193
Total	**636**	**365**	**412**	**551**

▸ NOTE 7.10 - FINANCIAL RISK MANAGEMENT

Information relating to financial risk management is provided in paragraph 3.1 of the management report.

NOTE 8 – INVENTORY

Gross amount

In € thousands	**31.12.2011**	Changes in scope and reclassifications	Changes	Translation differences	**31.12.2012**
Raw materials	140,399		(24,179)	(561)	115,660
Work in progress	24,930		(2,325)	(181)	22,425
Finished goods	95,078	2,809	9,969	(1,188)	106,668
Merchandise goods	69,327	(1,509)	22,485	(375)	89,928
Total	**329,734**	**1,300**	**5,951**	**(2,304)**	**334,680**

Provisions

In € thousands	**31.12.2011**	Changes in scope and reclassifications	Changes	Translation differences	**31.12.2012**
Raw materials	(11,032)		2,504	5	(8,523)
Work in progress	(152)		(84)	0	(237)
Finished goods	(1,444)	172	(1,033)	(3)	(2,308)
Merchandise goods	(9,233)	(172)	(553)	32	(9,926)
Total	**(21,862)**		**834**	**33**	**(20,994)**

In € thousands	31.12.2011	Changes in scope and reclassifications	Changes	Translation differences	Net amount 31.12.2012
Raw materials	129,367		(21,674)	(556)	107,137
Work in progress	24,778		(2,409)	(181)	22,188
Finished goods	93,634	2,981	8,936	(1,191)	104,360
Merchandise goods	60,094	(1,681)	21,932	(343)	80,002
Total	**307,872**	**1,300**	**6,785**	**(2,271)**	**313,686**

The reclassifications primarily relate to the leased equipment capitalised which are transferred to inventory at the end of the lease to be sold as used equipment.

NOTE 9 – TRADE RECEIVABLE

In € thousands		31.12.2011	Changes in scope and reclassifications	Changes	Translation differences	31.12.2012
CURRENT						
Trade receivable - Gross	(Note 11)	253,804	70	(13,469)	(1,998)	238,407
Trade receivable - impairment	(Note 11)	(14,973)		890	138	(13,945)
Trade receivable - net		238,830	70	(12,579)	(1,860)	224,462
NON-CURRENT						
Trade receivable - gross		2,401		(1,122)		1,279
Trade receivable - impairment						
Trade receivable - net		2,401		(1,122)		1,279
Total		**241,231**	**70**	**(13,701)**	**(1,860)**	**225,741**

Outside of the U.S. and UK markets, the group generally uses credit insurance or factoring to secure its outstanding receivables. In some cases, based on customer knowledge acquired by the group, the outstanding balance for any given customer can be greater than the amount guaranteed.

On U.S. market and in accordance with industry practices, Manitou Americas has agreements with distributors for inventory financing (floor plan) for varying periods of up to nine months. In the framework of the “floor plans”, distributors must settle payments for the machines upon sale to the end customer and no later than the conclusion of the inventory financing agreement. No right of return of machines in inventory is granted to distributors.

Overdue receivables are individually monitored. The criteria for impairment are mainly assessed customer by customer based on the age of receivables. Each entity performs that analysis based on the specificities of its markets.

Regarding accounts receivable, amounts recorded upon the creation or reversal of a provision on accounts receivables are included in the line item “Increases in provisions” in the income statement.

Losses related to the write-off of customer receivables amounted to €1.3 million for the full-year 2012 period and were reported as “sales, marketing and service expense” in the income statement. These losses are partially offset by the reversal of depreciation recorded on the same line.

NOTE 10 – SALES FINANCING RECEIVABLES

Receivables related to financing granted to end customers are reported on this line item. These receivables concern either sales made via financing leases or, in the case of Manitou Americas, the financing of sales to end use customers.

In € thousands		31.12.2011	Change in scope & other	Movements	Translation differences	31.12.2012
Gross						
Finance lease assets	(Note 11)	3,991		(469)	(117)	**3,405**
Financing granted to end customers	(Note 11)	40,105		(24,313)	(138)	**15,655**
Sales financing receivables - Gross		**44,096**		**(24,782)**	**(255)**	**19,060**
Impairment						
Finance lease assets	(Note 11)					
Financing granted to end customers	(Note 11)	(12,557)		7,715	40	**(4,801)**
Sales financing receivables - Impairment		**(12,557)**		**7,715**	**40**	**(4,801)**
Net						
Finance lease assets		3,991		(469)	(117)	**3,405**
Financing granted to end customers		27,548		(16,598)	(97)	**10,853**
Sales financing receivables - Net		**31,539**		**(17,067)**	**(214)**	**14,258**
Of which						
Non-current portion		**8,732**		**(3,887)**	**(101)**	**4,743**
Current portion		**22,808**		**(13,180)**	**(113)**	**9,515**

The financing granted to end customers are mainly related to Manitou Americas and include €7 million of receivables sold with limited recourse (gross value) which were not removed from the balance sheet at 31.12.2012. The amount reported as a liability attributable to these sales with limited recourse transactions is mentioned in note 7.6.

At 31.12.2012, an impairment test was performed on receivables related to financing granted to end customers. The criteria for impairment are based on a customer by customer review for the most material receivables (the notion of materiality is partly defined based on the amounts and partly based on late payments). In addition, a write-off allowance amount is calculated based on historical statistical data for customers not analysed on a one-by-one basis.

Losses recorded in the 2012 period related to the financing granted to end customers receivables amounted to €2.5 million and were covered by the reversal of provisions for impairment.

An aging of the non-current receivables related to financing granted to end customers follows:

In € thousands	31.12.2012	1 to 2 years	3 to 5 years	Over 5 years
Finance lease assets - Net	2,139	1,591	502	46
Financing granted to end customers - Net	2,604	2,478	126	
Receivables on financing granted to end customers - non-current portion	**4,743**	**4,069**	**628**	**46**

NOTE 11 – FINANCIAL ASSETS - ANALYSIS OF OVERDUE RECEIVABLES AND IMPAIRMENT

▸ NOTE 11.1 - ANALYSIS OF OVERDUE RECEIVABLES AND RELATED PROVISIONS FOR IMPAIRMENT

In € thousands	Not due	<30 days overdue	31 – 90 days overdue	91 – 120 days overdue	<120 days overdue	31.12.2012 TOTAL
Trade receivable	190,417	19,633	11,764	2,342	14,251	238,407
Provisions for impairment on trade receivables	(977)	(73)	(148)	(1,337)	(11,411)	(13,945)
Trade receivables - Net	**189,440**	**19,560**	**11,616**	**1,006**	**2,840**	**224,462**
Receivables on financing granted to end customers	5,052	1,085	944	87	4,730	11,898
Impairment - Receivables on financing granted to end customers	(85)	(28)	(36)	(2)	(3,497)	(3,649)
Receivables on financing granted to end customers - Net	**4,967**	**1,057**	**907**	**85**	**1,233**	**8,249**
Receivables on financing leases	1,266					1,266
Impairment on financing leases						
Receivables on financing leases - Net	**1,266**					**1,266**
Total	**195,673**	**20,617**	**12,523**	**1,091**	**4,073**	**233,977**

NOTE 11.2 - CHANGES IN IMPAIRMENT ON FINANCIAL ASSETS

	31.12.2011	Increases	Reversals used	Reversals not used	Reclass/ other	Translation differences	31.12.2012
Provisions for impairment on accounts receivables	(14,973)	(2,257)	778	2,369		138	(13,945)
Impairment - Receivables on financing granted to end customers	(12,557)		5,605	2,110		40	(4,801)
Of which							
- Current	(8,179)		4,201	289		40	(3,649)
- Non-current	(4,377)		1,403	1,821		0	(1,153)
Impairment on financing leases							

The improvement in business activity in the U.S. led Manitou Americas to reverse a portion of its provision for impairment on receivables from end-customer financing (€4 million unused at December 31, 2012).

NOTE 12 – OTHER CURRENT RECEIVABLES

In € thousands	31.12.2011	Change in scope & other	Changes	Translation differences	31.12.2012
Tax and social security receivables	19,007	150	(143)	(16)	18,998
Other receivables	6,377	99	(1,758)	10	4,728
Prepayments to suppliers	2,058		621	8	2,687
Prepaid expenses and accrued income	3,587	23	2,195	(25)	5,781
Total	**31,029**	**272**	**915**	**(22)**	**32,194**

NOTE 13 – SHAREHOLDERS' EQUITY

NOTE 13.1 - SHARE CAPITAL

The share capital consisted of 39,548,949 shares at 31.12.2012.

NOTE 13.2 - PROPOSED DIVIDEND

The Board of directors proposes the distribution of a dividend of €0.45 per share.

NOTE 13.3 - TREASURY SHARES

Number of shares	Réalisations au 31.12.2011	% du capital	Réalisations au 31.12.2012	% du capital
Held at opening (share repurchase program)	**311,000**		**278,000**	
Shares purchased (Shareholders Meeting of 01.06.2006)				
Shares sold	(33,000)			
Share purchase options exercised				
Held at closing (share repurchase program)	**278,000**	0.70%	**278,000**	0.70%
Hedging of purchase options				
Liquidity contract	33,237		35,872	
Treasury shares - Total	**311,237**	0.79%	**313,872**	0.79%

The cost of the shares purchased and the proceeds from the shares sold were recorded as a reduction or increase in the equity, respectively.

Treasury shares do not have dividend rights.

▸ NOTE 13.4 - STOCK PURCHASE OPTIONS FOR CERTAIN EMPLOYEES

In accordance to the authorization provided by the Shareholders' Meeting of July 6, 2010, a stock option plan was granted on July 26, 2011. On January 30, 2012, 17,320 additional options were granted in the framework of that plan.

A free share plan was also granted on June 28, 2012. In accordance with the principles set out in note 1.15 in the notes to the financial statements, the stock option plan was valued at its fair value at the grant date. The main criteria for the valuation and recording of the rights related to this new plan are as follows:

– purchase period of four years from the date that shares are granted (one fourth per purchase) for French employees, after a period of four years for foreign employees of the group;

– holding period of two years for French employees;

– physical presence requirement;

– Internal conditions: Earnings per share (EPS) must be at least equal to €1 (1 euro) for 2012 income, to €1.20 (one euro and twenty cents) for 2013 income and, to €1.35 (one euro and 35 cents) for 2014 income and to €1.50 (one euro and fifty cents) for 2015 income;

– share price at the grant date: €12.83;

– expected dividends over a 4 year period;

– rate: risk-free rate defined at the plan's grant date for a maturity of 1 to 5 years.

The initial valuation of the plan at the grant date amounted to €612 thousand. The cost recorded related to the plan amounted to €117 thousand at December 31, 2012.

13.4.1 Characteristics

The main characteristics of stock option plans for certain employees and free shares are as follows:

Share purchases *Characteristics*	Type of plan	Maturity date	Expiry date	Number of beneficiaries (initial)	Average exercise price (in €)	**Number of shares per plan**
05.09.2005 plan	Purchase	06.09.2009	05.09.2013	15	32.56	30,500
19.12.2005 plan	Purchase	20.09.2009	19.12.2013	15	31.88	30,500
10.07.2006 plan	Purchase	11.07.2010	10.07.2014	16	32.76	44,000
21.08.2006 plan	Purchase	22.08.2010	21.08.2014	5	30.95	5,000
26.04.2007 plan	Purchase	27.04.2011	26.04.2015	16	39.8	30,500
10.10.2007 plan	Purchase	11.10.2011	10.10.2015	16	36.55	16,500
19.05.2010 plan	Subscription	20.05.2014	19.05.2018	43	13.6	249,625
26.07.2011 plan	Subscription	26.07.2015	26.07.2019	60	24	188,492
Total options granted						**595,117**
Options cancelled - shares available						121,000
Unattributed shares						
Total shares held						**278,000**

Bonus shares *Characteristics*	Type of plan	Maturity date	Expiry date	Number of beneficiaries (initial)	**Number of shares per plan**
28.06.2012 plan	Bonus shares	28.06.2012	28.06.2016	151	82,350
Total shares granted					**82,350**

13.4.2 Changes in the number of valid options

In units	**Number of options at 31.12.2011**	Options granted	Options expired	**Number of options at 31.12.2012**
20.09.2004 plan	13,500		(13,500)	
13.12.2004 plan	40,500		(40,500)	
05.09.2005 plan	30,500			30,500
19.12.2005 plan	30,500			30,500
10.07.2006 plan	44,000			44,000
21.08.2006 plan	5,000			5,000
26.04.2007 plan	30,500			30,500
10.10.2007 plan	16,500			16,500
19.05.2010 plan	261,550		(11,925)	249,625
26.07.2011 plan	247,060	17,320	(75,888)	188,492
Total	**719,610**	**17,320**	**(141,813)**	**595,117**

13.4.3 Change in number of free shares granted

In units	**Number of options at 31.12.2011**	Options granted	Options expired	**Number of options at 31.12.2012**
20.09.2004 plan		82,350	(1,700)	80,650
Total		**82,350**	**(1,700)**	**80,650**

13.4.3 Valuation of plans

In accordance with the principles set out in note 1.15, at 31.12.2012 the option and free share plans were valued at their fair value at the grant date.

In € thousands	2012 plan	2011 plan	2010 plan	2007 plan	2006 plan	2005 plan	**TOTAL**
Initial value (after deduction of expired shares)	626	1,331	653	565	586	635	**4,396**
2012 expense	(117)	(555)	(96)				**(768)**

The expense for the period is recorded as personnel expenses.

Assumptions for stock option plans

The main criteria used for the valuation and recording of the rights related to this new plan are as follows:

– exercise price: price set by the plan's rules, or the average of the opening share price of Manitou shares over the last 20 days preceding the date granted, discounted by 5%.

– volatility: historical volatility of Manitou shares over three years for all plans;

– dividend pay-out rate: the average dividend pay-out rate over the three years preceding the granting of each plan;

– estimated life of the option: 5 years;

– rate: risk free rate for the life of the option, measured at the grant date of each plan;

– vesting period: the vesting period is 4 years for all existing plans.

NOTE 14 – PROVISIONS

▸ NOTE 14.1 - BREAKDOWN OF PROVISIONS

	31.12.2012	Of which, less than one year	Of which, greater than one year
Provisions - Excluding post-employment benefits			
Warranty provisions	28,121	23,278	4,843
Provisions for restructuring	198	196	2
Provisions for other risks	7,841	5,418	2,423
	36,160	28,892	7,268
Post-employment benefits (Note 15)	32,899	242	32,657
Total	**69,059**	**29,134**	**39,925**

	31.12.2011	Of which, less than one year	Of which, greater than one year
Provisions - Excluding post-employment benefits			
Warranty provisions	24,123	19,627	4,497
Provisions for restructuring	239	196	43
Provisions for other risks	10,234	7,825	2,409
	34,597	27,648	6,949
Post-employment benefits (Note 15)	29,255	266	28,989
Total	**63,852**	**27,914**	**35,938**

▸ NOTE 14.2 - CHANGES IN PROVISIONS - EXCLUDING POST-EMPLOYMENT BENEFITS

In € thousands	**31.12.2011**	Increases	Provisions applied	Provisions reversed (unused)	Reclassifica-tions / Changes in scope	Translation differences	**31.12.2012**
Warranty provisions	24,124	15,573	(7,399)	(4,117)	0	(60)	28,121
Provisions for restructuring	239		(229)	(2)	190		198
Provisions for other risks	10,234	1,296	(1,559)	(1,799)	(267)	(64)	7,841
	34,597	16,869	(9,187)	(5,918)	(77)	(124)	**36,160**

Warranties

Amounts recorded when creating or reversing provisions for warranties are included in "Cost of goods and services sold" within the income statement as are the actual warranty expenses. That line item also includes provisions built for equipment recalls following supplier quality incidents.

Other risks

Other risks mainly concern commercial, employee or tax litigation.

NOTE 15 – POST-EMPLOYMENT BENEFITS

▸ NOTE 15.1 - DEFINITION

The defined benefit plans that result in the recording of a provision related to:

– employee indemnities related to departures for retirement or contract completion,

– other long-term benefits such as seniority awards,

– pension schemes and other retirement benefits for certain employees,

– supplementary pension plans for certain management employees in the United States,

– medical insurance and post-employment life insurance.

These defined benefit plans are often covered by funds transferred to insurance companies which are valued at their fair value at year-end. The amount of those funds is deducted from the liability valued in accordance with IAS 19.

NOTE 15.2 - MEASUREMENT

15.2.1 Main assumptions used

				31.12.2012
	France	United Kingdom	Italy	United States
Salary increases	4.00%	n/a	n/a	4.44%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	3.30%	4.60%	3.30%	3.60%
Expected rate of return on assets	3.80%	5.00%	n/a	6.62%

				31.12.2011
	France	United Kingdom	Italy	United States
Salary increases	4.00%	n/a	n/a	4.44%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	5.40%	4.90%	5.40%	4.20%
Expected rate of return on assets	3.80%	5.00%	n/a	7.47%

A change of -0.5% in the discount rate would have the following impact on the actuarial liability (DBO) and the cost of an additional year (SC):

In € thousands	DBO	SC
Europe (Inc. France)	1,296	124
United Kingdom	1,201	NA
United States	2,678	10
Total	**5,175**	**134**

Assumptions concerning the rate of salary increases in each country are equal to the sum of the inflation assumptions and the forecasts of individual increases.

The turnover rate and the mortality rate take the specificities of each country and company into account. The turnover rate used varies depending on the status and age of the persons concerned.

The rate used to discount obligations is determined by reference to market yields at the balance sheet date based on top quality corporate bonds.

The healthcare inflation rate used was 7.5% at 31.12.2012. A 1% change in healthcare inflation would have an impact of €100K on the actuarial liability (DBO) and of €12K on the cost of an additional year (SC).

For the calculation of retirement benefits in France, the ratings are based on a voluntary departure of the employee, which implies that the commitment calculated includes social charges. The social charges rate taken into account when assessing the commitment in 2012 is between 47 and 51% depending on the entities and professional categories concerned.

The retirement age taken into account in the calculation of retirement benefits and supplementary pension was determined in accordance with the laws in force in the countries concerned.

15.2.2 Composition of plan assets (as a %)

At 31.12.2012, the breakdown of plan assets was as follows:

			31.12.2012
	France	United Kingdom	United States
Equity	15.00%	55.94%	54.50%
Bonds	5.00%	43.22%	26.65%
Property	80.00%		
Other		0.84%	18.85%
Total	**100.00%**	**100.00%**	**100.00%**

			31.12.2011
	France	United Kingdom	United States
Equity	15.00%	58.00%	69.00%
Bonds	5.00%	41.00%	28.00%
Property	80.00%		
Other		1.00%	3.00%
Total	**100.00%**	**100.00%**	**100.00%**

15.2.3 Reconciliation of balance sheet lines

						31.12.2012
In € thousands	France Retirement indemnities	France Other	United Kingdom	Europe other	United States	Total
Present value of the obligation	14,489	776	11,740	954	51,895	79,854
Fair value of financial assets	6,714		10,980		27,447	45,141
Past service costs	1,866				(52)	1,814
Net assets (provisions) recognized in balance sheet	(5,909)	(776)	(760)	(954)	(24,500)	(32,899)
				Of which:	Provisions	(32,899)
					Assets	0

						31.12.2011
In € thousands	France Retirement indemnities	France Other	United Kingdom	Europe other	United States	Total
Present value of the obligation	9,807	609	10,899	821	50,629	72,765
Fair value of financial assets	6,628		9,592		25,466	41,686
Past service costs	1,963				(2)	1,961
Net assets (provisions) recognized in balance sheet	(1,216)	(609)	(1,307)	(821)	(25,165)	(29,118)
				Of which:	Provisions	(29,255)
					Assets	137

15.2.4 Change in obligations and plan assets during the year

					31.12.2012
In € thousands	France	United Kingdom	Europe other	United States	Total
Obligation					
Opening	10,416	10,899	821	50,629	72,765
Current service costs	724			86	810
Interest cost	598	539	35	2,070	3,242
Benefits paid	(194)	(531)	(125)	(3,524)	(4,374)
Liquidation/curtailment				(266)	(266)
Past service costs				(85)	(85)
Scope entry					
Actuarial losses (Gains)	3,721	580	223	4,023	8,547
Adjustments for translation differences		253		(1,038)	(785)
Closing	15,265	11,740	954	51,895	79,854
Plan assets					
Opening	6,628	9,592		25,466	41,686
Employer contributions	33	973		3,714	4,720
Benefits paid	(194)	(531)		(3,524)	(4,249)
Actual return on assets	247	728		2,732	3,707
Scope entry					
Liquidation				(383)	(383)
Adjustments for translation differences		218		(558)	(340)
Closing	6,714	10,980		27,447	45,141
Reconciliation of provision					
Opening	(1,825)	(1,307)	(821)	(25,165)	(29,118)
Charge for the year	(1,278)	(97)	(35)	(191)	(1,601)
Employer contribution		973		3,348	4,321
Benefits paid	33		125	250	408
SORIE	(3,614)	(294)	(223)	(3,222)	(7,353)
Scope entry					
Adjustments for translation differences		(35)		480	445
Closing	(6,685)	(760)	(954)	(24,500)	(32,899)

In € thousands	France	United Kingdom	Europe other	United States	31.12.2011 Total
Obligation					
Opening	9,348	8,712	945	48,149	67,154
Current service costs	626			187	813
Interest cost	521	479	38	2,225	3,263
Benefits paid	(53)	(194)	(146)	(2,991)	(3,384)
Liquidation/curtailment				(1,391)	(1,391)
Past service costs	3	1,116			1,119
Scope entry					
Actuarial losses (Gains)	(29)	448	(16)	2,812	3,215
Adjustments for translation differences		338		1,638	1,976
Closing	10,416	10,899	821	50,629	72,765
Plan assets					
Opening	6,416	8,698		26,817	41,931
Employer contributions		576		2,876	3,452
Benefits paid		(194)		(2,991)	(3,185)
Actual return on assets	212	223		(1,034)	(599)
Scope entry					
Liquidation				(922)	(922)
Adjustments for translation differences		289		720	1,009
Closing	6,628	9,592		25,466	41,686
Reconciliation of provision					
Opening	(867)	(14)	(945)	(21,332)	(23,158)
Charge for the year	(949)	(1,217)	(38)	(273)	(2,477)
Employer contribution		576		2,331	2,907
Benefits paid	53		146	545	744
SORIE	(61)	(604)	16	(5,519)	(6,168)
Scope entry					
Adjustments for translation differences		(48)		(917)	(965)
Closing	(1,825)	(1,307)	(821)	(25,165)	(29,118)

15.2.5 Breakdown of expense for the year

In € thousands	France	United Kingdom	Europe other	United States	31.12.2012 Total
Methodological adjustments					
Past service costs	724			86	810
Interest cost	598	539	35	2,070	3,242
Expected return on assets	(250)	(442)		(1,930)	(2,622)
Amortisation of actuarial gains and losses	108				108
Past service costs	98			(5)	93
Curtailment				(30)	(30)
Net charge	1,278	97	35	191	1,601

The new provisions of the revised IAS 19 will be applied retrospectively by the group. The main impacts on the consolidated balance sheet at January 1, 2012 and December 31, 2012 were estimated to be €2.0 million and €1.8 million respectively and correspond to the recognition of past service costs not previously recorded. The impact of the application of the revised IAS 19 on the estimated 2013 expenditure was valued at €1.2 million and is mainly due to the impact of aligning the expected rate of return on assets and the financial discount rate.

In € thousands	France	United Kingdom	Europe other	United States	31.12.2011 Total
Methodological adjustments					
Current service costs	626			188	814
Interest cost	521	479	38	2,226	3,264
Expected return on assets	(258)	(379)		(1,673)	(2,310)
Amortisation of actuarial gains and losses	(44)				(44)
Past service costs	104	1,116		2	1,222
Curtailment				(469)	(469)
Net charge	949	1,216	38	274	2,477

NOTE 16 – OTHER CURRENT LIABILITIES

In € thousands	**31.12.2011**	Change in scope & other	Movements	Translation differences	**31.12.2012**
Trade payable and related liabilities	**203,444**	**(9)**	**(53,183)**	**(503)**	**149,749**
Tax and social security liabilities	47,701	11	1,428	(6)	49,134
Other operating liabilities	16,240	(1,352)	635	(307)	15,216
Deferred income	3,730		1,251	(75)	4,905
Other liabilities	**67,671**	**(1,341)**	**3,314**	**(388)**	**69,255**
TOTAL CURRENT LIABILITIES	**271,115**	**(1,350)**	**(49,869)**	**(891)**	**219,004**

NOTE 17 – INCOME TAXES

▸ NOTE 17.1 - CHANGES IN BALANCE SHEET ITEMS

In € thousands	**31.12.2011**	Result	Payment	Translation differences	Changes in scope & other (1)	**31.12.2012**
Current tax						
Assets	26,031					27,845
Liabilities	4,857					2,067
Total	**21,175**	**(12,420)**	**17,091**	**(67)**		**25,778**
Deferred taxes						
Assets	4,911					20,102
Liabilities	9,007					357
TOTAL	**(4,097)**	**20,799**		**(496)**	**3,538**	**19,745**

(1) Other changes in current and deferred taxes can be broken down as follows:

In € thousands	**31.12.2012**	**31.12.2011**
Taxes on cancellation/sale of treasury shares	(15)	(11)
Deferred taxes recognised in equity - SORIE	4,374	408
Deferred taxes booked in equity - Interest rate hedging instruments	(812)	231
Scope entry		(135)
Other	(9)	(2,304)
Total	**3,538**	**(1,811)**

▸ NOTE 17.2 - TAXES RECOGNISED IN THE INCOME STATEMENT

The income tax expense recorded in the income statement includes:

In € thousands	**31.12.2012**	**31.12.2011**
Current tax	**(12,420)**	**(13,265)**
Deferred tax for the period	(746)	(1,699)
Change in deferred tax rate	(328)	178
Impairment losses (-) and capitalization of unrecognized losses (+)	21,873	6,425
Total differed taxes	**20,799**	**4,904**
Total	**8,379**	**(8,361)**

– The current tax expense is equal to the total taxes on income due to various tax authorities for the full-year period. Those amounts are determined based on the tax rates and regulations applicable in the countries concerned.

– Deferred income tax expense is determined using the method described in note 1.18.

– At 31.12.2012, Manitou Americas recorded a deferred tax asset of €23.9 million (loss carry forwards and other deferred tax assets) relating to prior years. The €23.9 million were recorded as income in the income statement for the amount of €22.1 million and as reserves for the amount of €1.8 million (deferred tax relating to actuarial differences) as the conditions for the accounting treatment described in IAS 12 were met. Indeed, Manitou Americas' (formerly Gehl Company) return to better fortune, year after year since the crisis of 2009, suggests that the remaining loss carry forwards of this entity has a probability of being charged against future income, thereby justifying the asset mentioned above.

Manitou Americas used €6 million in loss carry forwards and other deferred assets in the 2012 period.

▸ NOTE 17.3 - RECONCILIATION BETWEEN THE LEGAL TAX RATE IN FRANCE AND THE EFFECTIVE TAX RATE ON CONSOLIDATED INCOME

In € thousands	31.12.2012	31.12.2011
Income before taxes on fully consolidated companies	36,397	43,908
Legal tax rate in France	36.10%	36.10%
Theoretical tax expense for the full-year period	13,139	15,851
Other taxes	1,884	1,955
Impairment of assets		
Permanent differences	352	(1,119)
Increase / decrease in tax rates (current and deferred)	266	(174)
Tax loss carry forwards capitalized (Uncapitalized tax loss carry forwards)	(21,936)	(7,166)
Differences in foreign tax rates and other	(2,085)	(986)
Total - Income taxes	**(8,379)**	**8,361**

▸ NOTE 17.4 - DEFERRED TAXE BASIS

Deferred taxes recorded arose from the following temporary differences:

In € thousands - Assets / (Liabilities)	Temporary differences at 31.12.2012	Deferred taxes at 31.12.2012	Temporary differences at 31.12.2011	Deferred taxes at 31.12.2011
Intangible assets	(4,590)	(1,606)	72	25
Property, plant and equipment	(34,149)	(11,798)	(36,494)	(12,256)
Finance leases	(12,462)	(3,914)	(11,616)	(3,653)
Employee benefits	33,357	11,644	27,844	9,628
Provisions	25,335	8,441	19,428	6,489
Inventories and receivables	9,710	3,112	2,738	395
Miscellaneous	(887)	(371)	113	(188)
Subtotal	16,316	5,508	2,085	440
Tax credits				
Tax loss carry forwards		16,365		14,641
Unrecognised deferred tax assets		(2,127)		(19,178)
Total		**19,745**		**(4,097)**

NOTE 18 – BREAKDOWN OF SALES BY NATURE, DIVISION AND GEOGRAPHIC REGION

SALES BY DIVISION

In € thousands	Sales of goods	Sales of services	31.12.2012
RTH - Rough terrain Handling	849,878	6,742	**856,620**
IMH - Industrial Material Handling	150,295	12,653	**162,948**
CE - Compact Equipment	245,020	183	**245,203**
Total	**1,245,193**	**19,578**	**1,264,771**

SALES BY GEOGRAPHIC REGION

In € thousands	Sales of goods	Sales of services	31.12.2012
Southern Europe	430,450	14,818	**445,268**
Northern Europe	414,821	1,323	**416,144**
Americas	249,585	94	**249,679**
APAM	150,337	3,343	**153,680**
Total	**1,245,193**	**19,578**	**1,264,771**

SALES BY DIVISION AND GEOGRAPHIC REGION

					31.12.2012
In € thousands	Southern Europe	Northern Europe	Americas	APAM	**Total**
RTH	317,690	360,000	58,050	120,880	**856,620**
IMH	120,466	22,870	5,477	14,135	**162,948**
CE	7,112	33,273	186,152	18,665	**245,203**
Total	**445,268**	**416,144**	**249,679**	**153,680**	**1,264,771**

					31.12.2011
In € thousands	Southern Europe	Northern Europe	Americas	APAM	**Total**
RTH	335,440	329,743	42,069	89,051	**796,303**
IMH	116,375	15,211	4,263	11,089	**146,938**
CE	10,173	28,187	131,778	17,766	**187,904**
Total	**461,988**	**373,141**	**178,110**	**117,906**	**1,131,145**

The group's customer base is very dispersed, the largest customer representing no more than 1.8% of total sales.

NOTE 19 – RESTRUCTURING COST

In € thousands	31.12.2012	31.12.2011
Personnel costs related to restructuring	(401)	(2,331)
Other external costs related to restructuring	(80)	(538)
Addition to provision for restructuring costs	231	1,918
Total	**(250)**	**(951)**

Restructuring costs recorded in 2012 mainly concern the completion of the transfer of the warehousing activity for the company MLM near Paris (in the French county 95) which was launched in 2011 as well as the reorganization of the IMH activities within the company CFM.

NOTE 20 – AUDITORS' FEES

	DELOITTE & ASSOCIÉS				**RSM SECOVEC & members of RSM international network**				**Other**				**Total**	
	Amount		%		Amount		%		Amount		%		Amount	
In € thousands	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Audit														
– Audit and certification of company and consolidated financial statements														
- Parent company	173	189	25%	30%	173	189	64%	63%					346	378
- fully consolidated subsidiaries	508	419	74%	66%	98	87	36%	29%	63	46	89%	85%	669	552
– Other audits and services directly linked to the duties of the Statutory auditors														
- Parent company		25		4%		25		8%						50
- fully consolidated subsidiaries	10		1%						8	8	11%	15%	18	8
Subtotal	**691**	**633**	100%	100%	**271**	**301**	100%	100%	**71**	**54**	100%	100%	**1,033**	**988**
Other services provided by the audit firms to fully consolidated subsidiaries														
Total	**691**	**633**			**271**	**301**			**71**	**54**			**1,033**	**988**

The company believes that the nature of the information required under Article 222-8 of the general regulations and instruction No. 2006-10 of the AMF meets the provisions introduced by decree N° 2008-1487 of December 30, 2008.

NOTE 21 – RECURRING OPERATING EXPENSE BY NATURE

In € thousands	31.12.2012	31.12.2011
Material purchases	(847,459)	(752,737)
Direct and indirect labour	(118,412)	(98,645)
Depreciation, amortisation and impairment	(24,176)	(24,476)
Other	(97,112)	(81,674)
Cost of goods and services sold	**(1,087,159)**	**(957,532)**
External expenses	(60,946)	(50,262)
Personnel expense	(71,910)	(67,281)
Net depreciation / amortisation expense (non-production)	(5,399)	(6,069)
Other	6,097	1,262
Other expenses from continuing operations	**(132,158)**	**(122,351)**
TOTAL RECURRING OPERATING EXPENSE BY NATURE	**(1,219,317)**	**(1,079,883)**

NOTE 22 – BREAKDOWN OF PERSONNEL EXPENSES

In € thousands	31.12.2012	31.12.2011
Salaries, bonuses and commissions	(117,619)	(109,182)
Profit-sharing	(8,483)	(3,950)
Employee benefits	(4,473)	(4,960)
Social charges and payroll taxes	(47,739)	(38,119)
Personnel expense excluding interim employees and reinvoicing	**(178,314)**	**(156,211)**
Interim & other	(13,010)	(13,494)
Total	**(191,325)**	**(169,705)**

NOTE 23 – OTHER OPERATING INCOME AND EXPENSE

In € thousands	Net 31.12.2012	31.12.2011
Gains on disposals of assets	454	216
Currency exchange rate gains	86	691
Other income	1,413	1,401
Other expenses	203	(3,192)
Movements in provisions	1,305	(710)
Total	**3,462**	**(1,594)**

Other operating income and expenses in 2012 includes the income and expense related to product litigation, income associated with a property investment and the partial reversal of a provision.

The income related to the disposal of assets was mainly related to the sale of the DLS fleet within the framework of the discontinuation of its local rental business.

NOTE 24 – FINANCIAL INCOME AND CHARGES

In € thousands	31.12.2012	31.12.2011
Financial asset income	2,345	3,522
Interest rate swaps	212	705
Fair-value adjustment	(24)	
Other financial income	5,273	5,300
Total income	**7,806**	**9,527**
Interest expenses on bank borrowings and other financial liabilities	(5,897)	(10,235)
Interest rate swaps	(1,528)	(2,299)
Inefficient portion of exchange rate hedges	33	(156)
Other financial expenses	(10,479)	(5,865)
Total charges	**(17,871)**	**(18,555)**

NOTE 25 – RESEARCH AND DEVELOPMENT COSTS

In accordance with IAS 38, all research expenses and costs of studies and development other than those described in note 1.7 are expensed in the period in which they are incurred and represented a total of €21.6 million in 2012 as compared to €16.6 million in 2011.

NOTE 26 – OFF - BALANCE SHEET COMMITMENTS

In € thousands	31.12.2012	31.12.2011
Agreements, security deposits, pledges (1)	5,453	18,147
Financial commitments (including forward sales)	42,704	74,676
Commitments on equipment returns (2)	11,080	16,975
Other commitments	478	241

(1) The financing of Manitou Americas put in place by drawing on the Manitou BF line of credit was secured against accounts receivable. As no line was drawn for this effect, the amount of the guarantee is zero at 31.12.2012 (same for 31.12.2011).

(2) Commitments to repurchase are valued at the contractually defined repurchase amounts. It should be noted that the market value of this equipment is generally higher than the repurchase value.

NOTE 27 – RISK MANAGEMENT

The Manitou Group's risk management policy is described in the "Risk management" section of the management report.

NOTE 28 – INFORMATION RELATING TO INDIVIDUAL STAFF TRAINING RIGHTS (D.I.F.)

During the 2012 full-year period, costs associated with French D.I.F. were assumed within the framework of the training programme agreed between employees and the company.

Requests for training under the D.I.F. were not provisioned given the fact that they were not the subject of an agreement as of 31.12.2012 and because of the company's legal obligation regarding continued professional training.

For information, the total of rights outstanding to all group employees in France which did not result in a request represented 167,624 hours as of 31.12.2012.

NOTE 29 – HEADCOUNT AT DECEMBER 31

	2012	2011
Manitou BF SA	1,781	1,649
Compagnie Française de Manutention	116	127
Manitou Italia Srl.	252	235
OMCI Attachments Srl.		10
Manitou Portugal SA	45	49
EPL Centro	8	8
Manitou Manutencion Espana SL	9	9
Southern Europe	**2,211**	**2,087**
Manitou UK Ltd.	41	40
Manitou Benelux SA	20	19
Mile	6	2
DLS		7
Manitou Deutschland GmbH	28	28
Manitou Vostok	24	21
Manitou Polska	11	11
Manitou Nordics	2	
Northern Europe	**132**	**128**
Manitou Americas	717	701
Manitou Do Brasil	1	
Americas	**718**	**701**
Manitou Southern Africa PTY Ltd.	68	62
Manitou Australia PTY Ltd.	12	8
Manitou Asia PTE Ltd.	36	32
Manitou China	32	43
Manitou South Asia	10	
APAM: Asia - Pacific - Middle East - Africa	**158**	**145**
TOTAL group	**3,219**	**3,061**

NOTE 30 – TRANSACTIONS WITH RELATED PARTIES

▸ NOTE 30.1 - TRANSACTIONS WITH ASSOCIATES CONSOLIDATED USING THE EQUITY METHOD

	2012		2011	
In € thousands	Expenses	Income	Expenses	Income
Manitou Finance France SAS	305		482	
Manitou Finance Ltd	1,156	90,354	819	85,603
Algomat		3,428		2,949
Hangzhou Manitou Machinery Equipment Co Ltd	1,587	1,170	2,244	813

NOTE 30.2 - TRANSACTIONS WITH INDIVIDUALS

In € thousands	2012 Interest	Balance at December 31, 2012	Purchase price	2011 Interest	Balance at December 31, 2011	Purchase price
			2012			**2011**
Current accounts with associates:						
Monsieur Marcel Braud	54	3,545				
Madame Jacqueline Himsworth	6	100		16	108	
Purchases of shares in associates:						
Not applicable						

NOTE 30.3 - COMPENSATION AND OTHER BENEFITS PAID TO CORPORATE OFFICERS

Total amount of compensation and benefits paid to corporate officers:

2012

In € thousands	Salaries	Mandates	Additional payments	Optons granted	Value of options granted	Options exercised	Balance sheet provisions and commitments
Non-executive corporate officers	252	435					
Executive corporate officers	423	360		7,000	55	0	
Executive Committee members who are not corporate officers	1,841		65	19,250	151	0	1,900

2011

In € thousands	Salaries	Mandates	Additional payments	Optons granted	Value of options granted	Options exercised	Balance sheet provisions and commitments
Non-executive corporate officers	323	455					
Executive corporate officers	472	360		41,920	241	0	
Executive Committee members who are not corporate officers	1,490		282	82,700	475		1,165

NOTE 31 – POST CLOSING EVENTS

Evolution in governance and executive management

In anticipation of the June deadline, the Board of Directors is announcing that 2 new members will be proposed to the Shareholders' vote on June 6th, together with the reelection of all other current members: Mr. Marcel-Claude Braud will replace Mr. Serge Ghysdael and a new female Board member will replace Mr. Dominique Bamas. Mr. Marcel Braud will continue as non-executive Chairman and Mrs. Jacqueline Himsworth as vice-Chairwoman.

Also, the Board of Directors is announcing that Mr. Jean-Christophe Giroux, President & CEO since June 2009, is stepping down today in anticipation of his term of office expiring at the forthcoming June 6 AGM. He is being replaced on an interim basis by Mr. Dominique Bamas, an independent Board member since June 2009 who has been acquainted with the company for 25 years. Mr. Henri Brisse, who had joined in September 2011 as worldwide VP Sales & Marketing, will also be leaving the company.

The Board has paid Mr. Giroux a unanimous tribute for weathering the 2009 storm, for initiating all necessary reforms, and for successfully repositioning the CE and IMH divisions on new trajectories. At the same time, the Board believes that the new environment calls more for an operational focus, with a better balance between profitability and development. Mr. Giroux will stay on thru March 31 to facilitate the transition.

Mr. Marcel Braud, Chairman of the Board declared "We are starting a new chapter of our history, which could not have been possible without Mr. Giroux's action since 2009. Many changes were necessary but after 3 years of transformation, we now need to take a pause and reflect on our priorities. Mr. Bamas will help us consolidate our progresses for a few months while we'll be searching for the new leader. I also wish to express our gratitude to Mr. Ghysdael, who has been accompanying Manitou for ten years. In the name of all family members, and the entire Board of Directors, I want to reaffirm our commitment to all our dealers and customers in terms of operating performance and human proximity."

8.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2012

This is a free translation into English of the Statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The Statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

– the audit of the accompanying consolidated financial statements of Manitou BF Group;

– the justification of our assessments;

– the specific verification required by law.

These consolidated financial statements have been approved by the Board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

8.2.1 OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at 31 December 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 17.2 to the consolidated financial statements regarding deferred tax assets recognised by Manitou Americas in respect of tax losses carried forward and other deferred tax assets in application of IAS 12.

8.2.2 JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

When closing the accounts, the Manitou Group was required to make estimates and formulate assumptions, notably regarding the value of certain assets and liabilities and income and expense items (note 1.2 to the financial statements).

We reviewed the appropriateness of the information provided in the notes to the financial statements and, notably, the valuation and impairment methods for non-current assets (notes 1.6, 1.9 and 5 to the financial statements). We also reviewed the consistency of the assumptions used by management, how these were reflected in the figures and the documentation available, all of which formed the basis for our assessment of the reasonableness of the estimates made.

Notes 1.16 and 14.2 to the consolidated financial statements disclose the fact that your group sets aside provisions in respect of guarantees given to customers. Our procedures consisted in assessing the information and assumptions determined by management on which such accounting estimates are based, in reviewing, on a test basis, the group's calculations and in comparing the accounting estimates of prior periods with the corresponding actual data. On these bases, we assessed the reasonableness of such estimates.

Notes 1.18 and 17.2 to the consolidated financial statements present the methods of deferred tax recognition and the related impact on the 2012 financial statements of the recognition of deferred tax in respect of tax losses carried forward of the US subsidiary. Our procedures consisted in validating that the accounting criteria were met, assessing the data and assumptions used to estimate future taxable profits and future utilization of tax losses carried forward, reviewing calculations performed by the company and examining the management approval process for the assumptions underlying the recognition of deferred tax assets. We also reviewed the appropriateness of the information provided in the aforementioned notes to the financial statements.

Accounting principles

As part of our assessment of the accounting principles applied by your company, we have reviewed the methods used to capitalise development costs and to amortise such expenses and test their recoverable amount, and are satisfied that note 1.7 to the consolidated financial statements provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

8.2.3 SPECIFIC VERIFICATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Orvault and Nantes, April 26, 2013
The Statutory auditors
French original signed by

RSM Secovec	**Deloitte & Associés**
Jean-Michel Picaud	Thierry de Gennes

8.3 PARENT COMPANY FINANCIAL STATEMENTS

8.3.1 INCOME STATEMENT

In € thousands		31.12.2012	31.12.2011
OPERATING REVENUE (1)			
Sales of goods purchased		243,083	305,059
Sales of manufactured goods		598,635	461,107
Sales of services		9,584	8,700
Net sales	Note 18	**851,302**	**774,866**
Production taken to inventory and capitalised		7,965	19,448
Writeback of provisions, charges transferred	Note 19	27,473	21,200
Other income		2,366	1,868
TOTAL		**889,106**	**817,382**
OPERATING EXPENSES (2)			
Purchases of goods and inventory movement (goods for resale)		620,177	578,536
Other purchases and external charges		121,703	96,659
Taxes on other than income		11,112	8,407
Wages and social security charges		100,124	81,684
Depreciation and provisions		31,675	29,847
Provisions for contingencies and charges		11,014	9,113
Other expenses		1,757	1,325
TOTAL		**897,562**	**805,571**
OPERATING INCOME		**(8,456)**	**11,811**
Financial income (3)		62,825	42,414
Financial expense (4)		17,678	21,054
FINANCIAL RESULT	Note 20	**45,147**	**21,360**
INCOME FROM ORDINARY ACTIVITIES BEFORE TAX		**36,691**	**33,171**
Non-recurring income		10,771	12,096
Non-recurring expenses		8,475	10,603
NON-RECURRING INCOME (LOSS)	Note 21	**2,296**	**1,493**
Employee profit sharing			
Income tax	Note 22	(822)	5,148
NET INCOME		**39,809**	**29,516**
(1) Of which, revenues relating to prior years			
(2) Of which, expenses relating to prior years			
(3) Of which, income from transactions with related parties		18,661	28,352
(4) Of which, expenses on transactions with related parties		58	389

8.3.2 CASH FLOW STATEMENT

In € thousands		31.12.2012	31.12.2011
NET PROFIT		**39,809**	**29,516**
Elimination of charges and income not related to operations and not affecting cash flow			
+	Depreciation, amortisation and provisions (1)	21,829	21,548
-	Writeback of depreciation, amortisation and provisions (1)	(40,772)	(5,991)
-	Income from asset disposals	(2,715)	(3,093)
+	Net book value of asset disposals	3,525	2,037
-	Investment subsidies recognised in the income statement	(18)	(16)
+/-	Income / losses related to merger transactions		4,530
EARNINGS BEFORE DEPRECIATION AND AMORTISATION		**21,658**	**48,531**
Impact of changes in cash position on operating receivables			
+/-	Changes in inventories	6,385	(48,729)
+/-	Changes in trade receivables	24,098	(55,118)
+/-	Change in other operating receivables	(16,611)	17,464
+/-	Changes in trade accounts payable	(37,668)	41,354
+/-	Changes in other operating liabilities	20,989	(16,352)
CASH FLOW FROM OPERATING ACTIVITIES		**18,851**	**(12,850)**
Impact of charges in cash position on investing activities			
+	Disposals of intangible assets, property, plant and equipment	2,715	3,070
+	Disposals of long-term investments	19	23
-	Acquisition of intangible assets, property, plant and equipment	(16,121)	(11,001)
-	Acquisition of long-term investments	(1,114)	(12,677)
+/-	Changes in liabilities towards suppliers of non-current assets	1,204	(437)
+/-	Change in cash balance related to mergers	(673)	0
CASH FLOW FROM INVESTING ACTIVITIES		**(13,970)**	**(21,022)**
Impact of charges in cash position on financing activities			
+	Increase in share capital		15
-	Decrease in share capital	0	0
+/-	Changes in cash balance related to mergers	0	35,359
-	Dividends paid during the period	(11,773)	
+	Increases in borrowings	27,279	170
-	Repayment of borrowings	(28,568)	(37,166)
+/-	Changes in capital called but not paid		
CASH FLOW FROM FINANCING ACTIVITIES		**(13,062)**	**(1,622)**
	Opening cash balance	(1,784)	33,710
	Closing cash balance	(9,965)	(1,784)
CHANGE IN CASH POSITION		**(8,181)**	**(35,494)**

(1) Excluding current assets

8.3.3 BALANCE SHEET

ASSETS

In € thousands		31.12.2012 Gross amount	31.12.2012 Amortisation and impairment	31.12.2012 Net	31.12.2011 Net
NON-CURRENT ASSETS					
INTANGIBLE ASSETS (1)	Note 2	56,780	29,598	27,182	29,141
PROPERTY, PLANT & EQUIPMENT	Note 3	199,572	137,617	61,955	62,731
FINANCIAL ASSETS (2)		364,091	59,701	304,390	269,350
		620,443	**226,916**	**393,527**	**361,222**
CURRENT ASSETS					
INVENTORIES AND WORK IN PROGRESS	Note 6	168,323	14,647	153,676	160,062
ADVANCE PAYMENTS		27		27	38
OPERATING RECEIVABLES (3)	Note 7	211,350	967	210,383	220,079
CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES	Note 9	18,807	6,053	12,754	5,342
ADJUSTMENT ACCOUNTS	Note 15	3,617		3,617	1,398
		402,124	**21,667**	**380,457**	**386,919**
UNREALISED FOREIGN EXCHANGE LOSS	Note 16	1,417		1,417	340
TOTAL GÉNÉRAL		**1,023,984**	**248,583**	**775,401**	**748,481**
(1) Of which, lease rights				0	0
(2) Of which, due in less than one year				867	839
(3) Of which, due in more than one year				0	0

LIABILITIES

In € thousands		31.12.2012 Net	31.12.2011 Net
SHAREHOLDERS' EQUITY			
Share capital	Note 10	39,549	39,549
Additional paid-in capital		43,667	43,667
Revaluation reserves	Note 17	908	908
Reserve and retained earnings		297,281	279,537
Net income for the year		39,809	29,516
Investment subsidies		139	158
Regulated provisions	Note 11	27,061	28,064
		448,414	**421,399**
PROVISIONS CONTINGENCIES AND CHARGES	Note 11	21,993	17,318
LIABILITIES (1)			
FINANCIAL LIABILITIES (2)	Note 12	147,987	116,640
CURRENT LIABILITIES	Note 12		
Trade accounts payable		111,220	148,888
Tax and social security liabilities		32,049	32,807
Other operating liabilities		11,001	8,992
OTHER LIABILITIES	Note 12	2,027	717
ADJUSTMENT ACCOUNTS	Note 15	0	0
		304,284	**308,044**
UNREALISED FOREIGN EXCHANGE GAINS	Note 16	710	1,720
TOTAL GÉNÉRAL		**775,401**	**748,481**
(1) Of which, due in more than one year		7,000	58,467
Of which, due in less than one year		297,284	249,577
(2) Including short-term bank loans and overdrafts		22,718	7,126

8.3.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF is a limited liability corporation under French law with a Board of directors and paid-in-capital capital of 39,548,949 euros made up of 39,548,949 shares with a par value of 1 euro per share.

The company's headquarters and main production site is at the following address:

430 rue de l'Aubinière - BP 10249 - 44158 - Ancenis Cedex France.

The company is registered in the Corporate and Trade Registry in Nantes under the following number:

857 802 508 RCS Nantes - SIRET : 857 802 508 00047
Code APE : 292 D - Code NAF : 2822Z.

FINANCIAL INFORMATION RELATED TO THE CLOSING

Manitou BF's financial statements were approved by the Board of directors on March 6, 2013.

COMMENTS ON THE NOTES TO THE BALANCE SHEET

The notes to the balance sheet before distribution describe the following characteristics:

The balance sheet for the current full year period totals €775,401 thousand.

The income statement reports:

- total sales revenues of €962,702 thousand,
- total expenses of €922,893 thousand,
- income of €39,809 thousand.

The period begins on 01.01.2012, ends on 31.12.2012 and includes 12 months.

The notes (or tables) below are an integral part of the full-year financial statements.

HIGHLIGHTS OF THE YEAR

During the 2012 period, Manitou BF, completed the operational integration of its former subsidiaries Aumont BSBH, CIMM and MLM with which it merged in 2011.

The company also initiated an ambitious multi-year program to recast and strengthen its supplier base and supply chain. Exceptional efforts were made in the first half to reduce the delivery times of all production lines.

The slowdown in orders recorded during the third quarter led to a reduction in production rates and the associated resources at the end of the year.

In 2012, after several difficult years, the Manitou Americas subsidiary, which resulted from the merger of Gehl Company and Manitou Americas in 2011, experienced a return to good fortune which permitted the reversal of a write-off for impairment on its shares of €32.6 million.

During the first half of 2012, the group created a distribution subsidiary in Brazil, Manitou Brasil Manipulacao de Cargas LTDA, of which 99.5% is held by Manitou BF and 0.5% by Manitou Americas. In the second half, a distribution subsidiary based in Latvia, Manitou Nordics, was created. It is 100% owned by Manitou BF.

Finally, it should be noted that Manitou BF paid a dividend of €0.30 per share in 2012. This return to the payment dividends is the natural culmination of the group's financial recovery and our confidence in the future.

NOTE ON THE GOING-CONCERN PRINCIPLE

The financial statements of Manitou BF were established under the application of the going-concern principle. The sales revenues and operating margin should remain stable for the year 2013.

NOTE 1 – ACCOUNTING PRINCIPLES

NOTE 1.1 – GENERAL PRINCIPLES

The balance sheet and income statement are prepared in accordance with French law and generally accepted accounting practices in France.

The basic method used for the financial statement items was the historical cost method.

It should be noted however that a revaluation was performed in 1976 with respect to the tangible and intangible assets and equity investments.

A number of subjects that could have a material impact are described in detail below.

NOTE 1.2 - CHANGES IN ACCOUNTING METHODS

No changes in accounting methods took place during the period.

NOTE 1.3 - NON-CURRENT ASSETS

DEVELOPMENT COSTS

In accordance with the French general chart of accounts (PCG) art. 311-3-1 created through Article 2-6 of the French accounting authority (CRC) Regulation No. 2004-06, development costs incurred in 2010 by the company relating to clearly individual projects with a serious chance of technical success and profitability were capitalized, the capitalization requirements described by the PCG having been fulfilled. As a preferred method, the company chose the option of using this accounting treatment in 2005.

All research expenses, as well as the costs of studies and development, other than those described above, are expensed in the period in which they are incurred.

COMPUTER SOFTWARE

These mainly include the costs incurred in the establishment of an integrated information system (ERP) for the portion relating to the detailed design, programming, testing and documentation.

Costs recorded during the preliminary study phase, the functional analysis phase and for user training are recorded as expenses.

AMORTISSEMENTS DES IMMOBILISATIONS

In accordance with the CRC 2002-10 (as amended by CRC 2003-07) and CRC 2004-06, the accounting methods relating to tangible and intangible assets (excluding development costs) are as follows:

– the basis for depreciation corresponds to the difference between the cost of the asset and its residual value, considered to be zero for all depreciable assets,

– The depreciation periods have been adjusted to the estimated useful lives of various asset categories and depreciation is calculated using the straight-line method,

– the main depreciation periods are as follows:

- goodwill: 5 years
- patents: 5 years
- software: 3 and 7 years for the integrated information system (ERP),
- development costs: 5 years,
- buildings: between 20 and 30 years depending on the quality of the buildings constructed,
- improvements to land and buildings: 10 years,
- technical facilities: 10 years,
- industrial machinery and equipment: between 3 and 7 years depending on the type of equipment,
- tooling and moulds: 3 years,
- vehicles: 4 years for passenger cars, 5 years for large commercial vehicles,
- office and IT equipment: between 3 and 5 years depending on the type of equipment,
- office furniture: 10 years.

The difference between tax depreciation calculated using the declining balance method and the straight-line method based on the estimated useful lives is recorded in regulated provisions (excess tax depreciation). For development costs, the excess tax depreciation is recognized, as provided by law, as of the date the asset is capitalized.

IMPAIRMENT OF ASSETS

The tangible and intangible assets are subject to testing for impairment whenever there is any evidence of lost value.

Where there is evidence of impairment, an impairment test is performed: the net book value is accessed based on its market value and the value of the asset for the company. It results from the comparison between the market value and its value in use.

▸ NOTE 1.4 EQUITY SHARES

In order to report its shareholders' equity on a comparable basis for both the corporate and consolidated financial statements, in accordance with Article 3 of the January 3, 1985 law and article 11 of the February 17, 1986 decree, as of the 1990 year-end closing, the company has opted for the valuation of shares in companies controlled exclusively based on the portion of the shareholders' equity owned as calculated using the equity consolidation method for reporting those shares.

In accordance with Article 332-4 of the French general chart of accounts (the PCG), if at the end of the year, the aggregate value of securities valued by the equity is lower than the acquisition cost, the aggregate consolidated value of the portfolio is reduced accordingly. A provision for overall portfolio risk is also created if the total value using the equity method is negative.

The costs associated with acquisitions are capitalized. In accordance with the tax laws in force, acquisition costs are amortized over 5 year period on a linear basis.

▸ NOTE 1.5 - TREASURY SHARES

Manitou BF's treasury shares are recorded on the day of their delivery, at their purchase price excluding transaction costs.

Treasury shares are recorded in "Marketable securities" when the securities are intended to cover the purchase option plans and share attributions and "Other financial assets" in any other case.

For plans deemed to be exercisable (the market value of the share is higher than the exercise price of the option) for which an outflow of resources is probable, the corresponding shares are classified in a specific "Marketable securities" account.

When the market value of Manitou shares is less than their purchase price, an impairment loss is recorded in the amount of the difference. No depreciation is recorded for shares classified as investment securities to be cancelled nor for shares classified in the specific investment securities sub-account (plans deemed to be exercisable). Those may contribute to the calculation of liabilities, the determination of which is described below.

In accordance with the opinion of the National Accounting Council dated 06.11.2008 and the regulation 2008-15 of the French accounting regulations committee released 30.12.2008, expenses relating to stock options and share allocations of Manitou BF shares as compensation are spread over the period that employee purchase rights become vested on a linear basis. Those expenses are recognized in the income statement under "Salaries and social charges" against a balance sheet provision.

For the share purchase options, that charge corresponds to the difference between the portfolio value of the shares allocated, net of impairment, and the corresponding exercise price, if lower. For performance share plans, the charge amounts to the portfolio value of the shares granted.

▸ NOTE 1.6 - INVENTORIES

Valuation

– Merchandise: valued at the weighted average purchase price

– Raw materials: valued at the weighted average purchase price

– Semi-finished products, work-in-process and finished goods: valued at production cost (raw materials at actual cost, machinery and labour at actual cost).

Impairment

– Merchandise: as in previous years, merchandise is subject to write-offs for impairment calculated statistically based on inventory turnover and probable losses from impairment.

– Raw materials: same as the previous method, that is to say, the write-off for impairment of slow moving articles.

– Finished products: the equipment are subject to an exam, item by item, the equipment concerned being used or demonstration equipment, in storage or slow moving. The rate of the write-offs for impairment is determined by product group.

▸ NOTE 1.7 - RECEIVABLES AND LIABILITIES

Receivables and payables are recorded at their nominal value. An impairment loss is recognized when the recoverable amount, determined on a case by case basis, falls below the accounting value.

▸ NOTE 1.8 - PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for risks and expenses are recorded when the company has a liability to a third party and it's probable that it will face an outflow of resources for the benefit of the third party without compensation.

These provisions are estimated taking into account the most likely hypotheses as of the closing date.

NOTE 1.9 - POST EMPLOYEMENT COMMITTMENTS

The liability is calculated in accordance with recommendation 2003-R-01 dated 01.04.2003 of the French accounting authority (the CNC) and based on the provisions of IAS19. The method retained is the “projected units credit method” sometimes referred to as the “projected benefits method prorated on years of service”.

Retirement benefit plan commitments are evaluated taking the demographic and economic assumptions into account. They are discounted to their present value using a discount rate based on interest rates for the highest quality bonds. The categories of defined benefit plans within Manitou BF, as well as the main assumptions taken are described in Note 11 in the notes to the financial statements.

NOTE 1.10 - LONG-SERVICE AWARDS

As for the previous year, the commitment was calculated according to the recommendation 2003-R-01 dated 01.04.2003 of the French accounting authority (the CNC) incorporating the provisions of the IAS 19.

NOTE 1.11 - TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCIES

Foreign currencies transactions are valued using the exchange rate at the date of the transaction. Receivables and payables are translated at the exchange rate as at the balance sheet date. The difference resulting from the translation of receivables and payables in foreign currencies during the period is recorded in the balance sheet as currency translation differences. The unrealized exchange losses are subject to a provision for risk.

NOTE 2 – INTANGIBLE ASSETS

GROSS AMOUNT

In € thousands	**31.12.2011**	Acquisitions	Transfers between line items	Disposals	**31.12.2012**
Research & development costs (1)	10,638		9,077		19,715
Concessions, patents and licenses	25,655	1,005		154	26,506
Goodwill	4,921			1,192	3,729
Other intangible assets	0				0
Intangible assets in progress (2)	12,238	3,739	(9,077)	70	6,830
Advance payments	0				0
Total	**53,452**	**4,744**	**0**	**1,416**	**56,780**

AMORTISATION

In € thousands	**31.12.2011**	Increases	Other Decreases	**31.12.2012**
Research & development costs	7,874	2,572		10,446
Concessions, patents and licenses	14,873	2,869	154	17,588
Goodwill	1,564			1,564
Other intangible assets	0			0
Intangible assets in progress	0			0
Advance payments	0			0
Total	**24,311**	**5,441**	**154**	**29,598**

NET AMOUNT

In € thousands	**31.12.2011**	**31.12.2012**
Research & development expenses	2,764	9,269
Concessions, patents and licenses	10,782	8,918
Goodwill	3,357	2,165
Other intangible assets	0	0
Intangible assets in progress	12,238	6,830
Advance payments	0	0
Total	**29,141**	**27,182**

Research & development costs

Development expense at 31.12.2011 amounted to €22,876 thousand and was distributed between projects in process of €12,238 thousand and projects completed of €10,638 thousand. The development costs incurred directly by the company and capitalized in 2012 amounted to €1,774 thousand, bringing the total amount capitalized at 31.12.2012 to €24,650 thousand. That amount is split between projects in process of €4,935 thousand and projects completed of €19,715 thousand.

All research expenses, as well as the costs of studies and development, other than those described above, were expensed in the 2012 period for a total amount of €9,466 thousand versus €8,187 thousand during the 2011 period.

OTHER INTANGIBLE ASSETS IN PROCESS

This item mainly includes development costs in the amount of €4,935 thousand and the implementation expenses for a new version of the ERP of €1,695 thousand.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

GROSS AMOUNT

In € thousands	**31.12.2011**	Acquisitions	Transfers between line items	Disposals	**31.12.2012**
Land	12,647	124	0	596	12,175
Buildings	43,589	53	365	653	43,354
Site facilities and installations	29,324	2,197	261	1,809	29,973
Technical facilities, plant and equipment	94,267	4,943	1,463	1,924	98,749
Other property, plant and equipment	12,538	2,325	25	368	14,520
Property, plant and equipment in progress	1,180	1,735	(2,114)		801
Total	**193,545**	**11,377**	**0**	**5,350**	**199,572**

DEPRECIATION

In € thousands	**31.12.2011**	Increases	Other decreases	**31.12.2012**
Land	4,951	316		5,267
Buildings	19,262	2,003	600	20,665
Site facilities and installations	20,458	1,518	1,704	20,272
Technical facilities, plant and equipment	75,019	6,731	1,906	79,844
Property, plant and equipment in progress	11,124	805	360	11,569
Total	**130,814**	**11,373**	**4,570**	**137,617**

NET AMOUNT

In € thousands	**31.12.2011**	**31.12.2012**
Land	7,696	6,908
Buildings	24,327	22,689
Site facilities and installations	8,866	9,701
Technical facilities, plant and equipment	19,248	18,906
Other property, plant and equipment	1,414	2,950
Property, plant and equipment in progress	1,180	801
Total	**62,731**	**61,955**

NOTE 4 – FINANCIAL ASSETS

GROSS AMOUNT

In € thousands	**31.12.2011**	Revaluation	Acquisitions	Transfers between line items	Decreases	**31.12.2012**
Equity interest	23,567		579		0	24,146
Receivables from affiliates	0					0
Investments (Equity method) (1)	339,362	0	514		811	339,065
Loans	42				19	23
Other financial assets	836		21		0	857
Total	**353,390**	**0**	**1,114**	**0**	**830**	**364,091**

(1) Information on equity holdings (movements in 2012)

Company	**31.12.2011**	Acquisitions in 2012	Disposals	**31.12.2012**
CFM	1,716			1,716
Manitou UK Ltd	598			598
Manitou Italia	34,460			34,460
Manitou Benelux	631			631
Manitou Asia	1,309			1,309
Manitou TR	811		811	0
Manitou Portugal	2,963			2,963
Manitou Deutschland	8,712			8,712
Manitou Southern Africa	2,219			2,219
Chariots Elevateurs Manitou Canada	13			13
Manitou Australia	358			358
Manitou Hangzhou Material Handling	5,705			5,705
Manitou Manutencion Espana SLU	200			200
Manitou Vostok	10			10
Manitou Polska	53			53
Manitou Americas	278,973			278,973
Manitou Interface & Logistics Europe	495			495
Manitou South Asia Private Ltd	136			136
Manitou Brazil		270		270
Manitou Nordics SIA		244		244
Total	**339,362**	**514**	**811**	**339,065**

For its commercial development, Manitou BF created two new subsidiaries, Manitou Brasil based in Sao Paulo, Brazil and Manitou Nordics SIA based in Riga, Latvia.

The Turkish subsidiary Manitou TR was liquidated on 18/10/2012.

				IMPAIRMENT
In € thousands	**31.12.2011**	Increases	Reversals	**31.12.2012**
Investments of associates (2)	90,898		35,222	55,676
Other equity	3,551	475		4,026
Other financial assets	8	0	8	0
Total	**94,457**	**475**	**35,230**	**59,702**

(2) At the end of the period, the total value of securities valued for using the equity method was lower than their purchase price. In accordance with Article 332-4 of the French legal accounting guidelines (PCG), a reversal of €35,222 thousand was recorded in 2012, bringing the total amount of the provision to €55,676 thousand at 31.12.2012.

NOTE 5 – EQUITY-ACCOUNTED INVESTMENTS (IN € THOUSANDS)

	31.12.2011				31.12.2012			
Company	% held	Accounting value (Acq. cost. or revised 1976 valuation)	Value (IFRS)	Value difference (IFRS)	% held	Book value (Acq. cost or revised 1976 value)	Value (IFRS)	Value difference (IFRS)
CFM	100.00%	1,716	25,052	23,336	100.00%	1,716	24,425	22,709
Manitou UK Ltd.	99.42%	598	6,464	5,866	99.42%	598	4,044	3,446
Manitou Italia	100.00%	34,460	63,272	28,812	100.00%	34,460	69,952	35,492
Manitou Benelux SA	98.00%	631	6,700	6,069	98.00%	631	5,529	4,898
Manitou Asia Pte Ltd.	100.00%	1,310	4,898	3,588	100.00%	1,310	5,473	4,163
Manitou TR	99.64%	811	21	(790)	99.64%	0	0	0
Manitou Portugal	100.00%	2,963	7,737	4,774	100.00%	2,963	6,436	3,473
Manitou Deutschland GmbH	100.00%	8,712	10,370	1,658	100.00%	8,712	7,409	(1,303)
Manitou Southern Africa Pty Ltd.	100.00%	2,219	11,187	8,968	100.00%	2,219	13,996	11,777
Chariots Elevateurs Manitou Canada Inc.	100.00%	13	107	94	100.00%	13	67	54
Manitou Australia Pty Ltd.	86.00%	358	2,996	2,638	86.00%	358	4,073	3,715
Manitou Hangzhou Material Handling	100.00%	5,705	3,196	(2,509)	100.00%	5,705	2,388	(3,317)
Manitou Manutencion Espana SLU	100.00%	200	375	175	100.00%	200	395	195
Manitou Vostok	100.00%	10	597	587	100.00%	10	519	509
Manitou Polska	100.00%	53	140	87	100.00%	53	244	191
Manitou Americas	100.00%	278,973	104,951	(174,022)	100.00%	278,973	137,568	(141,405)
Manitou Interface & Logistics Europe	99.00%	495	264	(231)	99.00%	495	447	(48)
Manitou South Asia Private Ltd	100.00%	137	137	0	100.00%	137	106	(31)
Manitou Brazil		0	0	0	99.50%	270	77	(193)
Manitou Nordics SIA		0	0	0	100.00%	244	241	(3)
Total		**339,362**	**248,464**	**(90,898)**		**339,065**	**283,389**	**(55,676)**

NOTE 6 – INVENTORY

	31.12.2011			31.12.2012		
In € thousands	Gross amount	Impairment	Net	Gross amount	Impairment	Net
Raw materials:	73,430	6,634	66,796	57,948	4,841	53,107
WIP	15,794		15,794	14,515		14,515
Finished products	35,972	550	35,422	42,760	784	41,976
Merchandise goods	50,443	8,393	42,050	53,100	9,022	44,078
Total	**175,639**	**15,577**	**160,062**	**168,323**	**14,647**	**153,676**

NOTE 7 – OPERATING RECEIVABLE

	GROSS AMOUNTS			PROVISIONS		
In € thousands	**31.12.2011**	2012 movements	**31.12.2012**	**31.12.2011**	2012 movements	**31.12.2012**
Trade and related receivables	164,795	(23,392)	141,403	261	706	967
Other receivables	14,275	1,636	15,911	0		0
Sundry debtors	41,270	12,766	54,036	0		0
Capital called and not paid-in	0		0	0		0
Total	**220,340**	**(8,990)**	**211,350**	**261**	**706**	**967**

In € thousands	**31.12.2011**	**NET AMOUNT 31.12.2012**
Trade and related receivables (1)	164,534	140,436
Other receivables	14,275	15,911
Sundry debtors	41,270	54,036
Capital called and not paid-in	0	0
Total	**220,079**	**210,383**
(1) Including commercial paper	2,153	90

NOTE 8 – BREAKDOWN OF RECEIVABLES

In € thousands	Gross	Due in less than one year	Due in 1 to 5 years	Due in more than 5 years
Non-current				
Receivables linked to equity interests (1)				
Loans (1) (2)	23	10	13	
Other long-term investments	857	857		
Current				
Doubtful debtors	1,588	1,588		
Other trade receivables	139,815	139,815		
Personnel and related receivables	8	8		
Social Security and related receivables	40	40		
Income tax	25,425	25,425		
Value added tax	11,787	11,787		
Sundry	43	43		
Group and associates (2)	27,571	27,571		
Other debtors	5,073	5,073		
Prepaid expenses	3,617	3,617		
Total	**215,847**	**215,834**	**13**	**0**
(1) Loans granted during the year	0			
(1) Loans repaid during the year	19			
(2) Loans granted to associates	0			

NOTE 9 – CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES

The marketable securities were valued at their December 31 market prices.

The SICAV monetary instruments were subject to a "bought-sold" on that date. The accrued interest on the other investments were recorded at the end of the full-year period.

In € thousands	**2011**	**2012**
- Money market securities (valued at 31.12.2012 market prices, purchase price at that date)	669	329
- Shares in listed company	736	736
- Provision for impairment of shares	(582)	(582)
- Treasury shares (1)	8,844	8,844
- Provision for impairment on treasury shares (1)	(5,557)	(5,446)
TOTAL VALUE OF INVESTMENT SECURITIES	**4,110**	**3,881**
- Cash & cash equivalents	1,232	8,873
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENT SECURITIES	**5,342**	**12,754**

(1) Own shares

At 31.12.2012, treasury shares held by the company to cover share purchase options (278,000) are recorded as investment securities at their purchase price of €8,844 thousand, or an average price of €31.81 per share.

At December 31, 2012, the average market price of those shares in December was €12.22 with share purchase option exercise prices ranging between €13 and €39. The exercisability of the share purchase option plans was thus considered highly unlikely.

As a result, treasury shares were written down at 31.12.2012 by €5,446 thousand (the difference between the purchase price and the market value of the shares at December 31, 2012).

For the full-year 2012 period, a reversal of a provision for impairment of €111 thousand was reported as non-recurring income.

NOTE 10 – SHAREHOLDERS' EQUITY

NOTE 10.1 - CHANGES IN SHAREHOLDERS' EQUITY

In € thousands	Capital	Pre-miums	Valuation differences	Legal reserve	Other reserves	Retained earnings	Income for the period	Grants and regulated provisions	Total shareholders' equity
31.12.2011	**39,549**	**43,667**	**908**	**3,781**	**337,365**	**(61,608)**	**29,516**	**28,221**	**421,399**
Capital increase									
2011 Income						29,516	(29,516)		
Dividends					(11,865)	92			(11,773)
2012 Income							39,809		39,809
Changes in the value of minority interests									
Change investment subsidies								(18)	(18)
Change in the allowance for price increases								(212)	(212)
Change in accelerated depreciation for the year								(791)	(791)
31.12.2012	**39,549**	**43,667**	**908**	**3,781**	**325,500**	**(32,000)**	**39,809**	**27,200**	**448,414**

NOTE 10.2 - BREAKDOWN OF CORPORATE SHARE CAPITAL

	Par value	Number of shares	Amount
Paid-in capital at the beginning of the year	€1.00	39,548,949	€39,548,949
Capital increase	€1.00		
Stock options	€1.00		
PAR VALUE OF PAID-IN-CAPITAL AT 31.12.2012	**€1.00**	**39,548,949**	**€39,548,949**

NOTE 11 – PROVISIONS

In € thousands	INCREASES 31.12.2011	Increases	REVERSALS Applied	Reversed	31.12.2012
Regulated provisions					
Provision for price increases	929		212		717
Exceptional amortisation	27,136	4,539	5,330		26,345
Other regulated provisions					
Total	**28,064**	**4,539**	**5,542**		**27,061**
Provisions for contingencies and charges					
Disputes	3,579	346	70	790	3,065
Warantees granted to customers (1)	10,665	6,041	4,416	1,042	11,248
Foreign exchange losses	340	1,417	340		1,417
Other employee benefits (2)	566	161			727
Other provisions for risks (3)	1,043	117	1,041		119
Post-employment and similar obligations (4)	1,123	4,466	173		5,416
Total	**17,317**	**12,548**	**6,040**	**1,832**	**21,993**
Provisions for impairment and depreciation					
Property, plant and equipment	1				1
Equity interests	94,449	475	35,223		59,701
Inventories and work in progress	15,578	13,986	14,105	812	14,647
Trade accounts	261	875	169		967
Other (5)	6,148	24	119		6,053
Total	**116,437**	**15,360**	**49,616**	**812**	**81,369**
OVERALL TOTAL	**161,818**	**32,447**	**61,198**	**2,644**	**130,423**

Of which, increases and reversals:	Additions	Recoveries
- Operating	25,992	21,054
- Financial	1,916	35,562
- Exceptional	4,539	7,226

(1) Warranties

A provision is made to cover the estimated cost of warranties on machines and spare parts at the time of their commissioning by the distribution network or final customer. It covers the contractual warranty as well as its possible extension following a case-by-case review or within the framework of campaigns. The provision is calculated on a statistical basis.

(2) Pensions and related obligations

This item corresponds to the amount of the provision for seniority awards.

(3) Other provisions for contingencies

This item includes a provision for risks on free shares of €117 thousand and a provision of €2 thousand for expenses related to voluntary employee departures within the framework of agreements with employee representatives.

(4) Provisions for pension obligations

Provisions for post-retirement benefits were evaluated according to the principles described in note 1.9. The actuarial assumptions retained for the valuation of those commitments were as follows:

		31.12.2011	31.12.2012
Retirement age	- management	62/67 years	62/67 years
	- other employees	62/67 years	62/67 years
		Progressive increase in the number of years to reach 42 years subscribed in 2016	Progressive increase in the number of years subscribed to reach 42 years in 2016
Annual growth rate of salary increase		4.00%	4.00%
Discount rate		5.40%	3.30%
Return on plan assets		4.00%	3.80%
Mortality tables		Male 05/Female 05	Male 05/Female 05
Employee turnover	- management	2.50%	2.50%
	- other employees	1.00%	1.00%

Actuarial gains and losses are fully recognized in the income statement.

The provision for end-of-career indemnities has changed as shown below:

In € thousands	31.12.2011	31.12.2012
Commitment at End of period	9,224	13,640
Plan assets at end of period	6,388	6,466
Financial position	(2,836)	(7,174)
Prior service costs (change in collective convention 08.2010) (1)	1,850	1,758
(Provision) / amount prepaid	(986)	(5,416)

The impact on income recorded in 2011 and 2012 can be broken down as follows:

In € thousands	31.12.2011	31.12.2012
- Methodological adjustment		
- Service costs	502	618
- Discount cost	441	527
- Expected return on plan assets	(234)	(241)
- Reduction	(36)	(173)
- Past service costs (1)	57	92
Sub-total	730	823
Acquisition transfer	0	0
Actuarial profit (loss) calculated	90	3,470
Total	**820**	**4,293**

(5) Other

Impairment on treasury shares (see note 9).

NOTE 12 – BREAKDOWN OF LIABILITIES

In € thousands	Gross amount	Less than one year	1 to 5 years	Over 5 years
Bank loans and borrowings (1)	108,464	101,464		7,000
Other loans and borrowings	3,645	3,645		
Trade accounts payable and related payables	111,220	111,220		
Personnel and related liabilities	15,989	15,989		
Social Security and related liabilities	13,706	13,706		
Income tax				
Value added tax	67	67		
Other duties and taxes	2,288	2,288		
Due to suppliers of non-current assets	1,707	1,707		
Group and associates	35,878	35,878		
Other liabilities	11,320	11,320		
Deferred income				
Total	**304,284**	**297,284**		**7,000**
(1) Loans subscribed during the year	7,000			
(1) Loans repaid during the year	28,398			

Bank borrowings and debt mainly include a €210 million syndicated amortisable term loan which was built to finance the Gehl acquisition.

This credit agreement was originally related to a loan of €210 million payable on a linear basis over a five year period, a revolving line of credit for €40 million, plus a multi-currency line of credit for 45 million USD or the equivalent in euros with a guarantee secured on the company's accounts receivables.

The covenants associated with that contract are as follows:

- gearing ratio (net debt (1) / equity) of less than one over the term of the loan,
- leverage ratio (EBITDA (2) / net debt) declining as of 30.06.2011 (<6 at 30.06.2011, 4.2 at 31.12.2011, between 2.5 and 3 beyond that date)

At 31.12.2012, the ratio of net debt to equity (gearing) amounted to 23.5% according to the credit agreement criteria and the leverage amounted to 1.54.

On November 7, 2012, Manitou BF issued bonds for €7 million euros which were fully subscribed by the Micado France 2018 funds. The bonds carry a fixed interest rate of 5.95% and are due on October 2, 2018.

(1) As according to the credit agreement, net debt and shareholders' equity are restated for impacts related to the shareholder agreements.

(2) EBITDA: Operating income before depreciation, amortisation and impairment of assets.

NOTE 13 – INFORMATION RELATED TO ASSOCIATES

In € thousands	**31.12.2011**	**31.12.2012**
Investments in associates (1)	339,362	339,065
Receivables from associates		
Other equity investments	23,544	24,123
Other accounts receivable and related	71,371	76,860
Other receivables	14,973	29,143
Supplier accounts payable and related	25,195	25,111
Debt on fixed assets		65
Other liabilities	23,039	38,578
Interest expense and related	389	58
Income from associates	27,770	18,312
Other financial income	583	349
(1) Of which, valuation changes recorded using the equity method:	0	0

No transaction was made outside of normal market conditions.

NOTE 14 – ACCRUED INCOME AND EXPENSES

▸ NOTE 14.1 - ACCRUED INCOME

In € thousands	**31.12.2011**	**31.12.2012**
Receivables from associates		
Other long-term investments		
Trade and related receivables	585	4,976
Other receivables	2,412	4,031
Cash & cash equivalents	3	1

▸ NOTE 14.2 - ACCRUED EXPENSES

In € thousands	**31.12.2011**	**31.12.2012**
Bank loans and borrowings	175	348
Other loans and borrowings		
Trade and other accounts payable	40,417	29,072
Tax and social security liabilities	26,001	24,891
Due to suppliers of non-current assets	121	922
Other liabilities	9,195	11,259

NOTE 15 – PREPAID INCOME AND EXPENSES

In € thousands	Expenses	Income
Operating expense / income	3,617	
Financial expense / income		
Non-recurring expense / income		
Total	**3,617**	

NOTE 16 – TRANSLATION DIFFERENCES ON LIABILITIES AND RECEIVABLES IN FOREIGN CURRENCY

(Excluding the euro zone)

In € thousands	**Assets (1)**	**Liabilities**
Borrowings and financial debt	605	627
Trade debtors	801	4
Trade creditors	11	79
Total	**1,417**	**710**

(1) Offset by a provision amounting to €1,417 thousand.

NOTE 17 – VALUATION DIFFERENCES

In € thousands	**31.12.2011**	**31.12.2012**
Assets		
Land	354	354
Shareholdings	554	554
Total	**908**	**908**
Liabilities		
Revaluation reserve (1976)	908	908
Other differences (equity valuation differences)		
Total	**908**	**908**

NOTE 18 – BREAKDOWN OF SALES

In € thousands	2011	2012
A - By Activity		
Production (Manitou BF)	466,772	604,619
Spare parts trading	125,134	129,737
Equipment trading	182,960	116,946
Total	**774,866**	**851,302**
B - By geographic region		
France	293,420	294,125
Export	481,446	557,177
Total	**774,866**	**851,302**

NOTE 19 – OPERATING INCOME

In € thousands	Charges	Produits
Reversal of provision for contingencies		5,969
Reversal of provision for impairment of working capital		15,086
Transfer of operating expenses (1)		6,418
Total		**27,473**

(1) The transfer of operating expenses item mainly consists of management fees invoiced to Manitou Italia of €3,888 thousand, personnel expenses for continued training of €550 thousand, insurance compensation for €564 thousand, as well as the reinvoicing of various expenses.

NOTE 20 – FINANCIAL INCOME / EXPENSE

In € thousands	Charges	Produits
Income from securities		18,312
Foreign exchange gains		8,677
Reversal of impairment provision on securities (1)		35,222
Other income		614
Interest on borrowings	1,514	
Exchange rate losses	12,479	
Other expenses	3,685	
Total	**17,678**	**62,825**

(1) The use of the equity method for investments in affiliates resulted in a reversal of provisions in 2012 of €35,222 thousand thereby reducing the provision from €90,898 thousand to €55,676 thousand at 31.12.2012.

NOTE 21 – NON-RECURRING ITEMS

In € thousands	Charges	Produits
Proceeds from sale fixed assets (1)		2,715
Accelerated depreciation		5,330
Reversal of provision for risks (2)		1,684
Miscellaneous		1,042
Net expenses on sales of fixed assets (1)	2,644	
Net expenses on sales of financial assets (2)	811	
Additions to depreciation allowances	4,539	
Miscellaneous	481	
Total	**8,475**	**10,771**

(1) Disposal of land and buildings at the Saint-Ouen l'Aumône site.

(2) Of which €811 thousand related to the disposal of shares in the Turkish subsidiary Manitou TR.

NOTE 22 – INCOME TAX

▸ NOTE 22.1 - BREAKDOWN OF INCOME TAX

In € thousands	Income before tax	Taxes	Income after taxes
Recurring income	36,691	(642)	37,333
Non-recurring income	2,296	(180)	2,476
Net income	38,987	(822)	39,809

The taxable income for 2012 amounted to a loss carried forward of €3,861 thousand and did not result in any income tax expense in the 2012 financial statements.

The tax credit of €822 thousand includes the deferred tax relating to a technical accounting loss on the MLM merger in the amount of €673 thousand following the sale in 2012 of land and buildings on the Saint Ouen l'Aumône site and a research tax credit of €149 thousand.

▸ NOTE 22.2 - RESEARCH TAX CREDIT

The amount of the research tax credit recognized for 2012 was €200 thousand.

▸ NOTE 22.3 - INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

In € thousands	**Amount**	
TYPES OF TEMPORARY DIFFERENCES		
INCREASES		
Regulated provisions at 31.12.2012	27,061	
Other tax exceptional tax assessments		
Total	**27,061**	
INCREASES IN FUTURE TAX LIABILITIES		**9,771**
REDUCTIONS		
Provisions non-deductible in the year recorded	6,054	
Other (1)	3,409	
Total	**9,463**	
REDUCTIONS IN THE FUTURE TAX LIABILITY		**3,416**

(1) The tax loss in the 2012 period was €3,861 thousand. The total remaining amount of tax loss carry forwards at 31.12.2012 was €9,442 thousand thus reducing the future tax liability by €3,409 thousand.

NOTE 23 – FINANCE LEASES

Finance leases remained outstanding at 31.12.2012.

NOTE 24 – COMMITMENTS GIVEN

In € thousands	**31.12.2012**
Discounted bills not yet due	
Guarantees, surety and pledges	121
Mortgages	
Shareholder s'agreements	571
Forward currency sales	69,847
Interest rate swaps	152,000
Committments to repurchase equipment (1)	7,052

(1) Equipment repurchase commitments are valued at contractually defined repurchase amounts.
It should be noted that the market value of this equipment is generally higher than the repurchase value.

NOTE 25 – IMPACT OF EXCESS TAX DEPRECIATION

In € thousands	31.12.2012
INCOME FOR THE PERIOD	**39,809**
Income taxes	(822)
INCOME BEFORE TAX	**38,987**
Change in regulated provisions	(1,003)
Other tax deductibles	
INCOME BEFORE TAX EXCLUDING IMPACT OF EXCEPTIONAL TAX ITEMS	**37,984**

NOTE 26 – AVERAGE HEADCOUNT

Employees	2011	2012
Management staff	258	333
Technical and supervisory staff	50	54
Office workers	354	420
Production workers	815	912
Total	**1,477**	**1,718**

NOTE 27 – INFORMATION RELATING TO INDIVIDUAL STAFF TRAINING RIGHT (D.I.F)

During the 2012 full-year period, costs associated with French D.I.F. were assumed within the framework of the training programme agreed between employees and the company.

For information, the total of rights outstanding to all group employees in France which did not result in a request represented 160,472 hours as of 31.12.2012.

NOTE 28 – INFORMATION ON THE COMPENSATION PAID TO CORPORATE OFFICERS

Total amount of compensation and benefits in-kind paid to corporate officers in 2012:

In € thousands or number of shares	Wages	Directors' fees	Additional payments	Stock options granted	Stock options exercised	Other provisions and commitments
Non-executive corporate officers	153	435				
Executive coroporate officers	423	360	0	0	0	0

NOTE 29 – AUDITORS' FEES

The company believes that the nature of the information required under Article 222-8 of the general regulations and the instruction No. 2006-10 of the AMF and that provided in the consolidated financial statements fulfils the provisions introduced by decree N° 2008-1487 dated December 30, 2008.

NOTE 30 – POST-CLOSING EVENTS

Evolution in governance and executive management.

In anticipation of the June deadline, the Board of Directors is announcing that 2 new members will be proposed to the Shareholders' vote on June 6th, together with the reelection of all other current members: Mr. Marcel-Claude Braud will replace Mr. Serge Ghysdael and a new female Board member will replace Mr. Dominique Bamas. Mr. Marcel Braud will continue as non-executive Chairman and Mrs. Jacqueline Himsworth as vice-Chairwoman.

Also, the Board of Directors is announcing that Mr. Jean-Christophe Giroux, President & CEO since June 2009, is stepping down today in anticipation of his term of office expiring at the forthcoming June 6 AGM. He is being replaced on an interim basis by Mr. Dominique Bamas, an independent Board member since June 2009 who has been acquainted with the company for 25 years. Mr. Henri Brisse, who had joined in September 2011 as worldwide VP Sales & Marketing, will also be leaving the company.

The Board has paid Mr. Giroux a unanimous tribute for weathering the 2009 storm, for initiating all necessary reforms, and for successfully repositioning the CE and IMH divisions on new trajectories. At the same time, the Board believes that the new environment calls more for an operational focus, with a better balance between profitability and development. Mr. Giroux will stay on thru March 31 to facilitate the transition.

Mr. Marcel Braud, Chairman of the Board declared “We are starting a new chapter of our history, which could not have been possible without Mr. Giroux’s action since 2009. Many changes were necessary but after 3 years of transformation, we now need to take a pause and reflect on our priorities. Mr. Bamas will help us consolidate our progresses for a few months while we’ll be searching for the new leader. I also wish to express our gratitude to Mr. Ghysdael, who has been accompanying Manitou for ten years. In the name of all family members, and the entire Board of Directors, I want to reaffirm our commitment to all our dealers and customers in terms of operating performance and human proximity.”

TABLE OF SUBSIDIARIES AND AFFILIATES AT 31.12.2012

As for the valuation of investments in affiliates (note a.2.2 and b.4) and as the consolidated financial statements for 2012 have been prepared in accordance with IFRS, the values used for the presentation of this table are calculated on the basis of IFRS.

COMPANY *In € thousands or other currency units*	Capital	Reserves and retained earnings before appropriation	% of capital held	**BOOK VALUE OF SHARES HELD** Gross	Net	Accounted for by the equity method	Loans and advances granted and not yet paid	Guarantees given	Sales before tax	Profit or loss (-)	Dividends received
I - Detailled information											
A - SUBSIDIARIES (at least 50 % owned)											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
CFM	1,320	23,105	100.00%	1,716	1,716	24,425			69,602	2,439	2,970
Manitou Italia	5,000	69,860	100.00%	34,460	34,460	69,952			178,961	6,149	
Manitou Benelux SA	500	5,142	98.00%	631	631	5,529			79,946	889	2,940
Manitou Portugal	600	5,864	100.00%	2,963	2,963	6,436			11,111	268	1,500
Manitou Deutschland GmbH	800	6,809	100.00%	8,712	8,712	7,409			86,425	2,039	5,000
Manitou Manutencion Espana SLU	200	195	100.00%	200	200	395			1,118	19	
Manitou Interface & Logistics Europe	500	(53)	99.00%	495	495	447	11,499		38,140	305	
Lucas G	1,000	2,016	100.00%	7,790	3,984		2,724		23,972	30	
SAVIM	290	(62)	100.00%	228	8				8,427	(220)	
	GBP	GBP							GBP	GBP	
Manitou UK Ltd	230	3 886	99.42%	598	598	4,044	4,629		81,523	2,072	4,929
	USD	USD							USD	USD	
Manitou Americas Inc	361,165	(179,674)	100.00%	278,973	278,973	137,568			352,829	46,065	
	SGD	SGD							SGD	SGD	
Manitou Asia Pte Ltd	400	8 418	100.00%	1 310	1 310	5 473	714		35,768	580	
	ZAR	ZAR							ZAR	ZAR	
Manitou Southern Africa Pty Ltd	938	155,437	100.00%	2,219	2,219	13,996			426,598	42,113	268
	CAD	CAD							CAD	CAD	
Chariots Elévateurs Manitou Canada Inc	20	68	100.00%	13	13	67	64		0	(54)	
	AUD	AUD							AUD	AUD	
Manitou Australia Pty Ltd	400	4,778	86.00%	358	358	4,073	7,941		60,379	1,746	705
	CNY	CNY							CNY	CNY	
Manitou China Ltd	59,938	(40,309)	100.00%	5,705	5,705	2,388			11,725	(6,446)	
	RUB	RUB							RUB	RUB	
Manitou Vostok	338	20 577	100.00%	10	10	519			652,686	(4,003)	
	PLN	PLN							PLN	PLN	
Manitou Polska	200	793	100.00%	53	53	244			5,218	368	
	INR	INR							INR	INR	
Manitou South Asia Private Ltd	9,400	0	100.00%	137	137	106			20,000	(1,707)	
	BRL	BRL							BRL	BRL	
Manitou Brasil	600	0	99.50%	270	270	77			0	(407)	
	LVL	LVL							LVL	LVL	
Manitou Nordics SIA	170	0	100.00%	244	244	241			54	(2)	
B - EQUITY INTERESTS (10 to 50 %)											
	EUR	EUR							EUR	EUR	
Manitou Finance France SAS	4,682	28,213	49.00%	12,571	12,571				72,467	1,709	
	GBP	GBP							GBP	GBP	
Manitou Finance Ltd	2,870	2,371	49.00%	1,987	1,987				3,686	891	
	DZD	DZD							DZD	DZD	
Algomat	20,000	60,423	30.40%	74	74				0	0	
	CNY	CNY							CNY	CNY	
Hangzhou Manitou Machinery Equipment	27,880	6,248	50.00%	1,448	1,448				23,981	(112)	
I I - General information											
A - SUBSIDIARIES not listed in paragraph I	None										
B - EQUITY INTERESTS not listed in paragraphe I	None										

INVENTORY OF INVESTMENT SECURITIES

COMPANY *In number of units or shares or in thousands of euros*	Type / par value	Currency	Number of units or shares	Initial book value in €	Equity value in €
CFM	Shares at 20	EUR	6,600	1,716	24,425
Manitou Finance France SAS	Shares at 1,000	EUR	12,571	12,571	12,571
Manitou UK Ltd.	Shares at 1	GBP	228,670	598	4,044
Manitou Italia	Shares at 1	EUR	5,000,000	34,460	69,952
Manitou Benelux SA	Units at 500	EUR	980	631	5,529
Manitou Asia Pte Ltd.	Shares at 1	SGD	400,000	1,310	5,473
Manitou Portugal	Shares at 5	EUR	120,000	2,963	6,436
Manitou Deutschland Gmbh	Shares at 800,000	EUR	1	8,712	7,409
Manitou Southern Africa Pty Ltd.	Units at 1	ZAR	937,500	2,219	13,996
Manitou Finance Ltd.	Units at 1	GBP	980,000	1,987	1,987
Algomat	Shares at 1,000	DZD	6,080	74	74
Chariots Elev. Manitou Canada Inc.	Shares at 1	CAD	20,000	13	67
Manitou Americas	Shares at 361,101	USD	1	278,973	137,568
Manitou Australia Pty Ltd.	Shares at 1	AUD	344,000	358	4,073
Manitou Hangzhou Material Handling				5,705	2,388
Manitou Manutencion Espana SLU	Shares at 1	EUR	200,000	200	395
Hangzhou Manitou Machinery Equipment				1,448	1,448
Manitou Vostok	Shares at 1			10	519
Manitou Polska	Units at 1	PLN	400	53	244
Manitou Interface & Logistics Europe	Shares at 500	EUR	495	495	447
Manitou South Asia Private Ltd	Shares at 10	INR	939,999	137	106
Manitou Brasil	Shares at 1	BRL	597,000	270	77
Manitou Nordics SIA	Shares at 1	LVL	170,000	244	241
Lucas G	Shares at 42	EUR	23,800	7,790	7,790
SAVIM	Shares at 15	EUR	19,000	228	228
Total				**363,165**	**307,487**

FINANCIAL SUMMARY OVER THE LAST FIVE YEARS

Nature of the indicators *In euros*	**2008**	**2009**	**2010**	**2011**	**2012**
I - AT 31 DECEMBER					
a) Share capital	37,809,040	37,564,540	37,564,540	39,548,949	39,548,949
b) Number of ordinary shares issued	37,809,040	37,564,540	37,564,540	39,548,949	39,548,949
c) Number of convertible bonds					
II - RESULTS OF OPERATIONS					
a) Sales excluding taxes	1,036,837,302	433,075,596	544,957,041	774,866,291	851,301,672
b) Income before tax, depreciation, amortisation, provisions and employee profit sharing	93,037,984	(26,803,644)	26,250,478	54,125,075	24,288,590
c) Income taxes	10,019,107	(20,460,145)	(1,228,671)	5,147,938	(821,743)
b) Income after taxe, depreciation, amortisation, provisions and employee profit sharing	40,801,349	(99,348,904)	(2,631,409)	29,516,469	39,808,642
e) Dividends paid	0	0	0	0	11,864,685
III - DATA PER SHARE					
a) Income after tax but before depreciation, amortisation, provisions and employee profit sharing	2,20	(0,17)	0,73	1,24	0,63
b) Income after tax, depreciation, amortisation, provisions and employee profit sharing	1,08	(2,64)	(0,07)	0,75	1,01
c) Dividend paid per share				0,30	0,45
IV – EMPLOYEE DATA					
a) Number of employees	1,458	1,323	1,214	1,477	1,718
b) Salaries and wages	48,557,081	41,126,453	41,987,074	58,211,261	64,735,908
c) Social security and benefits	20,043,791	16,621,998	17,779,581	23,472,392	35,388,501

8.4 STATUTORY AUDITORS' REPORT

8.4.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY – YEAR ENDED 31 DECEMBER 2012

This is a free translation into English of the Statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying financial statements of Manitou BF;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

These financial statements have been approved by the Board of directors. Our role is to express an opinion on these financial statements based on our audit.

8.4.1.1 OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

8.4.1.2 JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

Note 1.4 presents the procedures used to measure the value of the company's equity interests. Because of the mandatory application of IFRS for the preparation of the group's consolidated financial statements, the equity used to value investments in associates in the Company financial statements is calculated in application of these same standards.

Note 11 discloses the fact that your company sets aside provisions in respect of guarantees given to customers. In particular, our procedures consisted in assessing the information and assumptions determined by management on which such accounting estimates are based, in reviewing, on a test basis, the company's calculations and in comparing the accounting estimates of prior periods with the corresponding actual data.

On these bases, we assessed the reasonableness of such estimates.

Accounting principles

As part of our assessment of the accounting principles applied by your Company, we have also reviewed the methods used to capitalize development costs and to amortise such expenses and test their recoverable amount, and are satisfied that note 1.3 provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

8.4.1.3 SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information presented in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de Commerce) relating to remuneration and benefits received by the corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Orvault and Nantes, April 26, 2013
The Statutory auditors
French original signed by

RSM Secovec	**Deloitte & Associés**
Jean-Michel Picaud	Thierry de Gennes

8.4.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Auditors' special report on related party agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on related party agreements and commitments should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory auditors of your company, we hereby report to you on related party agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

8.4.2.1 AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the year

We hereby inform you that we have been advised of following agreements or commitments authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to the provisions of Article L. 225-40 of the French Commercial Code.

AGREEMENT WITH MR. (Chairman of the Board of directors) AND MRS. BRAUD

Current account

At its meeting of 28 June 2012, the Board of directors approved the opening of a partner current account held by Mr. and Mrs. Braud in favor of the company. The current account was opened for an indefinite period and jointly in the names of Mr. and Mrs. Braud. Current account advances bear interest at a rate equal to the annual average of average effective rates charged by credit institutions on floating rate corporate loans with an initial term of more than two years, enabling the company to deduct interest payments for tax purposes.

Mr. and Mrs. Braud's current account totaled €3,545,223 as of 31 December 2012 (including interest, net of deductions). This account bore interest at 3.39%. The amount of interest assumed by your company in this respect totaled €53,961 in 2012.

8.4.2.2 AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorized in previous years and having continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments authorized in previous years have had continuing effect during the year.

AGREEMENT WITH MS. JACQUELINE HIMSWORTH, Vice-Chairman of the Board of directors

Current account

Ms. Jacqueline Himsworth's current account totaled €100,045 (including interest, net of deductions) as of 31 December 2012. This account bore interest at 3.39%. The amount of interest assumed by your company in this respect totaled €6,450 in 2012.

CREDIT AGREEMENT WITH GENEVAL, SOCIETE GENERALE Group, a MANITOU BF shareholder

On 4 September 2008, your company entered into a credit agreement with Société Générale in an Agent capacity (within the meaning of said agreement), and with other banks and credit institutions. This agreement provides for three credit lines:

– A €210,000,000 borrowing facility over 5 years;

– Two revolving credit facilities in the amount of €40,000,000 and $45,000,000 respectively.

The agreement was amended on 21 October 2008; 26 February 2009; 23 July 2009 and 16 September 2010.

The outstanding balance on the borrowing facility stood at €58,466,887 as of 31 December 2012.

The revolving credit facility was drawn in the amount of €20,000,000 as of 31 December 2012 (vs nil as of 31 December 2011).

The amount of interest assumed under the €210,000,000 borrowing facility totaled €1,219,576 and interest under the revolving credit totaled €176,235 in 2012.

The covenants contained in this agreement are as follows:

– Gearing ratio (net indebtedness/equity) below one over the term of the credit facility;

– Leverage ratio (EBITDA/net indebtedness) on a sliding scale as from 30 June 2011 (< 6 as of 30 June 2011, 4.2 as of 31 December 2011 and between 3 and 2.5 thereafter).

AGREEMENTS WITH LUCAS G

LUCAS G, a wholly-owned company of Manitou BF

At its meeting of 24 June 2010, your Board of directors authorized the following cooperation projects between your company and Lucas G:

Distribution by Manitou BF of articulated loaders manufactured by Lucas G.

The distribution agreement, entered into on 1 November 2010, is an exclusive cross-licensing agreement whereby Lucas G grants Manitou BF an exclusive worldwide right to distribute these products, Manitou BF being prohibited from procuring such products from any third party or producing them on its own. The agreement is entered into for a term of 3 years and became effective in 2011.

Supply by Lucas G of a range of attachments to Manitou BF

The products concerned are buckets and dippers for agricultural and construction purposes. This project had not started as of the date of this report and, accordingly, had no effect in 2012.

Orvault and Nantes, April 26, 2013
The Statutory auditors
French original signed by

RSM Secovec	**Deloitte & Associés**
Jean-Michel Picaud	Thierry de Gennes

Manitou BF

Share capital
of € 39,548,949
RCS Nantes B857 802 508
Siret 857 802 508 00047
APE 292 D / APE - NAF 2822Z

Head office:
430 rue de l'Aubinière
BP 10249 - 44158 Ancenis
cedex - France
Tel. : + 33 (0)2 40 09 10 11
Fax : + 33 (0)2 40 09 21 90

www.manitou-group.com

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