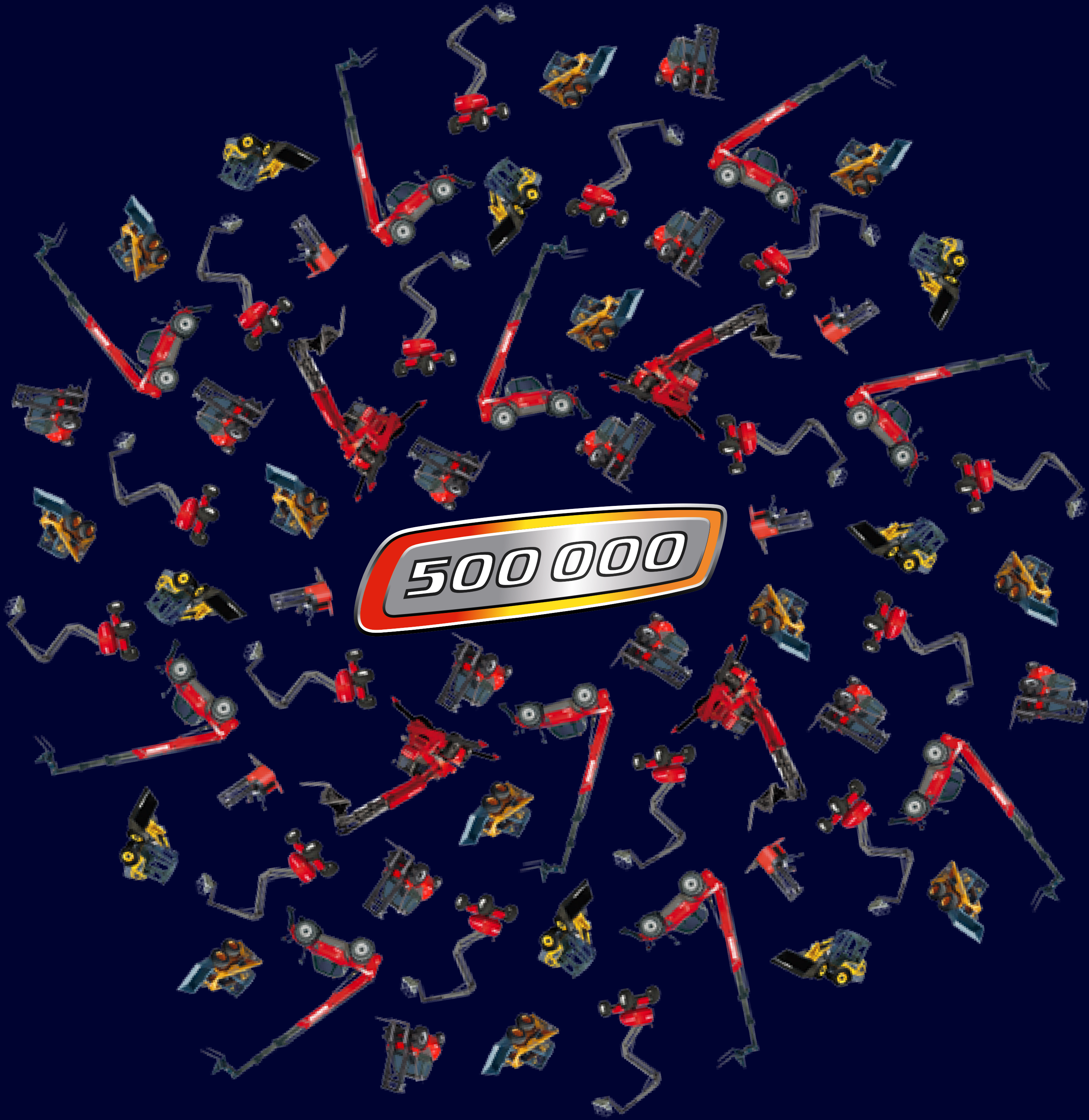

HANDLING YOUR WORLD

2014
ANNUAL
REPORT

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HAND

YOUR W

LING
WORLD

Material handling is the heart of Manitou Group's business and a field to which it is truly committed as regards all its stakeholders. Its knowledge and expertise enable it to respond to all material handling problems, whatever the country, terrain or application.

By making the world of its clients, and by extension the entire world, its terrain of activities, Manitou is clearly asserting its leadership and desire to offer solutions and service by creating value for its clients.

MANITOU GROUP CELEBRATES THE 500,000TH MACHINE SOLD IN THE WORLD

GROUP PROFILE

HANDLING YOUR WORLD

Founded over 60 years ago by the Braud family, Manitou Group now operates all worldwide. A world-leader in all-terrain material handling, the group designs, produces, distributes and services equipment intended for construction, agriculture and industries.

The group's product ranges include: fixed, rotating and heavyweight all-terrain telescopic forklift-trucks, semi industrial and industrial all-terrain masted forklift-trucks, compact loaders (skid-steers) on wheels or tracks, aerial work-platforms for personnel, truck-mounted forklifts, warehousing equipment and attachments.

Thanks to its high-profile brands, Manitou, Gehl and Mustang, and its network of 1,400 dealers throughout the world, the group provides the best solutions, creating most value for its customers.

With its head office in France, the group had a revenue of €1.246 billion in 2014 in 140 countries and employs 3,300 staff who are resolutely focused on customer satisfaction.

1958
First Manitou forklift-truck created based on an idea from Marcel Braud.

1972
Group's internationalization began.

1972
Sales & marketing partnership agreement signed with Toyota for the exclusive distribution of Toyota industrial forklifts in France.

1981
Manitou's first telehandler launched.

1984
The company went public.

1993
The first of the MRT rotating telescopic forklifts were put on the market.

1995
Aerial work-platforms launched.

1996
Manitou was ISO-9001-certified for the first time.

1998
Marcel Braud took office as Chairman of the Supervisory Board.

2004
Manitou celebrated its 200,000th forklift manufactured and sold, across the world.

2006
Manitou surpassed the one billion euro sales mark.

78% OF SALES GENERATED ABROAD

19 SUBSIDIARIES WORLDWIDE

3,300 EMPLOYEES WORLDWIDE

2014 REVENUE
1.246 BILLION EUROS

GROUP LISTED ON THE PARIS STOCK EXCHANGE

9 PRODUCTION SITES

65% OF THE COMPANY'S SHARE CAPITAL HELD BY THE FOUNDING FAMILY

Manitou, Gehl, Mustang
3 brands distributed
by 1,400 dealers in 140 countries

2007
Manitou inaugurated a 22,000 m² international logistics center.

2008
The American Gehl Company was acquired.

2009
Governance changed and the company went back to having a Board of directors.

2010
Gehl and Mustang articulated loaders launched.

2011
Family shareholding reorganized.

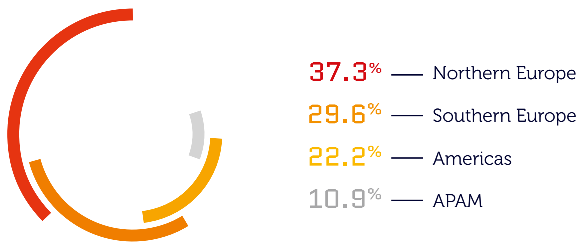
2012
Crossover agreement signed with the company Yanmar for the manufacturing and distribution of compact excavators.

2013
Partnership with Yanmar made stronger with Yanmar taking a 6.26%-stake in the Group's capital.

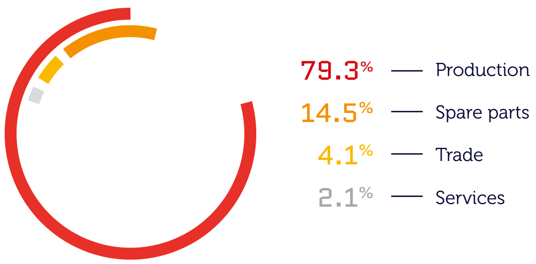
2014
January: Michel Denis appointed as President and CEO.
April: new roadmap hinged on the three divisions, including one for service.

2015
Celebration of the 500,000th machine sold in the world.

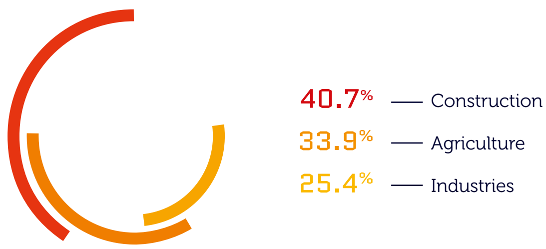
KEY FIGURES



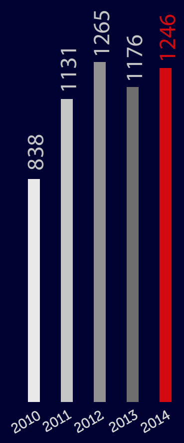
SALES PER GEOGRAPHIC AREA IN %



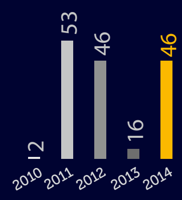
SALES PER TYPE IN %



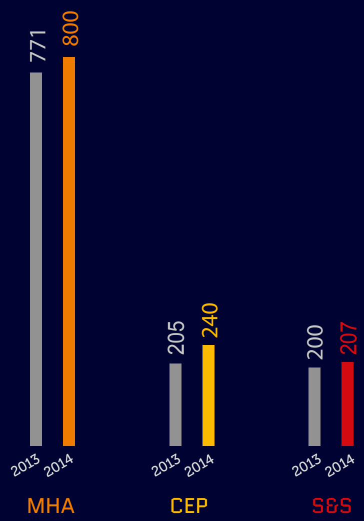
SALES PER MARKET IN %



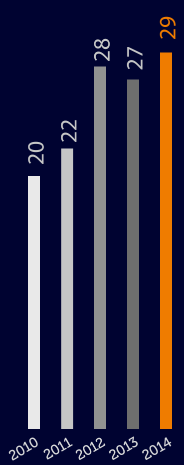
REVENUE
[IN €M]



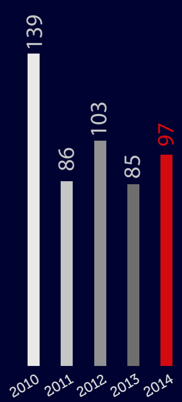
EBIT
[IN €M]



SALES PER DIVISION
[IN €M]



CAPITAL INVESTMENTS
[IN €M]



NET DEBT
[IN €M]

WORKFORCE
[in number of people]

2014 IN PICTURES

January / 1

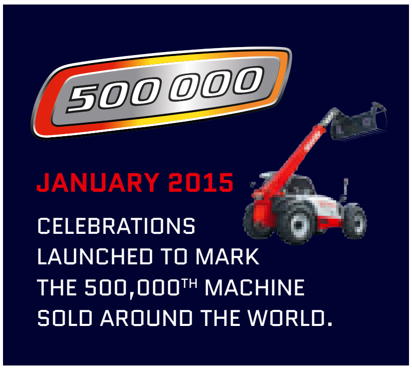
Michel Denis appointed President and CEO.

March / 2

Conexpo – Construction and mining trade show in Las Vegas. Preview of the new MHT 1490 as well as the new Gehl skid-steer loaders. The MLT 960 prototype, which was presented at the Agritechnica farm show, was commercially launched in America.

June / 3

Apex – International access platform trade show in Amsterdam. Presentation of the 260 TJ access platform and the R Series radial-lift skid-steer loaders. At the Eurosatory international trade-show, Manitou Group was awarded an export prize by GICAT (French defense and security manufacturers association).



December / 7

Relocation of masted forklift-trucks and warehousing activities.

July

Reorganization at group level with two product divisions, MHA (Material Handling and Access) and CEP (Compact Equipment Products), and a Services & Solutions (S&S) division.

December / 6

At the Polluctec trade-show, the group received the Business Environment Award for REDUCE from the Minister of Ecology, Sustainable Development and Energy. The reward was given in recognition of Manitou's commitment to Corporate Social Responsibility with regard to its user customers.

November / 5

The Manitou Group celebrated 10 years on the Chinese market at the BAUMA China trade-show in Shanghai.

September / 4

Participation in the Electra Mining trade-show in South Africa. Presentation of the world's most powerful telehandler which can lift 35 tons 14 meters.

NEW MACHINES

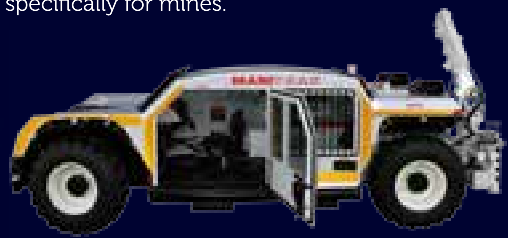
FROM COLOSSAL TO CUSTOM-BUILT

/ MHT 14350

The world's largest telehandler, particularly suited to the mining and quarrying sector.

/ Manitrax

A concept developed specifically for mines.



/ MAN'GO 12

This is an ultralight access platform and a completely new design compared with Manitou's previous models. The prototype was presented at Intermat 2015. It is particularly suited to rental companies.

/ 90 V'AIR access platform

With a specially adapted basket that allows the operator to reach hard-to-access areas in complete safety.

/ Gehl and Mustang series R

New cabin concept, completely revised based on client feedback.

INNOVATION: TRANSFORMING IDEAS INTO SOLUTIONS!

The strength of a leader lies in the ability to be the first to provide the best solutions that meet specific needs, market by market, customer by customer. For over 60 years, the Manitou Group has placed innovation at the forefront of its organization and activities.

With 5 engineering departments spread over its various entities and an in-house designer, the group develops new machine concepts as well as new accessories, technologies and services.

TECHNICAL INNOVATIONS

STATE-OF-THE-ART, SAFETY, SPECIFICITY

/ The Stop & Go system

Engine standby mode jointly developed with our partner, Poclain Hydraulics.

/ The square bale clamp

Accessory purpose-built for the agricultural sector.

SERVICES

FUEL CONSUMPTION REDUCTION

/ REDUCE

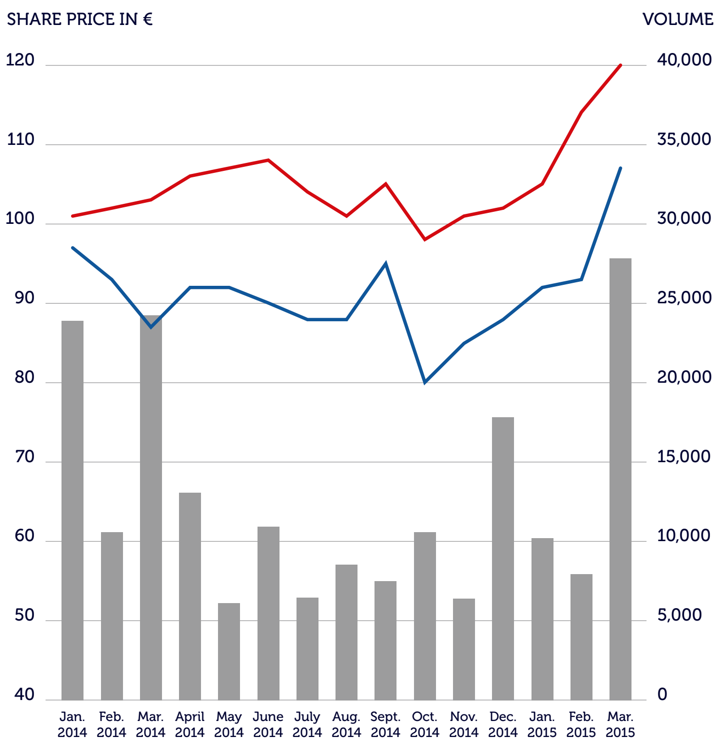
This program won several awards in 2014. It is designed to reduce fuel consumption, and by extension, the environmental impact, and is exclusive to Manitou.

NEW FINANCING METHOD

/ The 'full agriculture' module

For the first time we were able to offer our agricultural customers usage-based billing for machines.

MANITOU ON THE STOCK EXCHANGE



INDEX AND VOLUME EVOLUTION OF MANITOU SHARE SINCE 01.01.2014

Volume · Manitou BF · CAC All-tradable

ANALYSTS COVERING THE MANITOU SHARE

CM-CIC Securities
Christian Auzanneau

Exane BNP Paribas
Laurent Gélébart

Gilbert Dupont
Thomas Alzuyeta

ID Midcaps
Denis Scherrer

Kepler Cheuvreux
Pierre Boucheny

Natixis
Kathleen Gailliot

Oddo Midcap
Emmanuel Matot

Portzamparc Société de Bourse
Jean-Baptiste Barenton

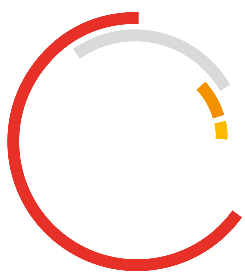
Société Générale Cross Asset Research
Christophe Quarante

SHARE PRICE IN €	2010	2011	2012	2013	2014
Highest	17.69	24.99	19.70	14.55	14.11
Lowest	8.91	10.01	10.86	9.42	10.51
Year-end price	17.31	11.74	13.00	13.80	12.20
Change in the year	+ 66.7 %	- 32.2 %	+ 10.7 %	+ 6.2 %	- 11.6%
CAC Mid & Small change	+ 18.0 %	- 21.4 %	+ 20.5 %	+ 26.7 %	+ 8.4%
Market capitalization at December 31 in millions of €	650	464	514	546	482
Average number of shares traded daily	20,731	35,755	18,319	17,524	12,267
Number of shares traded annually	5,348,601	9,189,032	4,689,715	4,463,012	3,128,126
Number of shares at December 31	37,567,540	39,547,824	39,548,949	39,548,949	39,548,949
Share turnover rate	14.2 %	23.8 %	11.9 %	11.3 %	7.9%

THE MANITOU SHARE IS LISTED ON NYSE EURONEXT PARIS

- EUROLIST compartiment B
- Code ISIN : FR0000038606

MAIN SHAREHOLDERS



65.4% — Braud and Himsworth families
6.3% — Yanmar
2.8% — Toyota
25.5% — Stock market and others

BOARD OF DIRECTORS

THE BOARD OF DIRECTORS

Marcel Braud,
Chairman (5)

Jacqueline Himsworth,
Vice-Chairwoman (7)

Gordon Himsworth (9)

Marcel-Claude Braud (2)

Christopher Himsworth (8)

Sébastien Braud (1)

Dominique Bamas* (3)

Pierre-Henri Ricaud* (6)

Agnès Michel-Segalen* (4)

** Independent members in accordance with MiddleNext recommendations*

“THE REAL SUCCESS OF A TEAM IS TO ENSURE COMPETITIVENESS IN SUSTAINABILITY”

Alain Prost

MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

It is with great pleasure that the Board of Directors can announce the results of a positive 2014, and send a message of confidence to Manitou Group's clients, employees, dealers and shareholders.

The appointment of an Executive Committee working in concert with our new CEO, Michel Denis, who took office at the beginning of 2014, very quickly helped to implement a strategy to cement our many advantages. This was achieved by simplifying our organization and processes, drafting an innovative products plan aligned with customer expectations and our traditional competences, as well as by the creation of the Services & Solutions division, capable of delivering the best service tools relevant to our products.

Consequently, we have managed to regain market share and maintain our reputation with our network of dealers, who have remained loyal to us. Together with them, in 2015, we are celebrating the 500,000th machine sold in the world.

Once again, all the company's resources converge toward a single goal – satisfying the end customer by deploying our 60 years' expertise as leader at the service of material handling.

Marcel Braud
President of the Board of Directors

EXECUTIVE COMMITTEE

COMEX MEMBERS

Michel Denis,
President and CEO (5)

Maxime Deroch,
President S&S Division (2)

Daniel L. Miller,
President CEP Division (6)

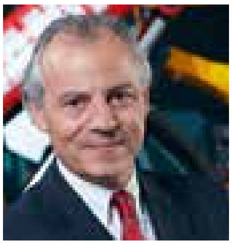
Fernand Mira,
President MHA Division (3)

François-Frédéric Piffard,
EVP Sales & Marketing (4)

Guillaume Rabel-Suquet,
EVP Human Resources (7)

Hervé Rochet,
Corporate Secretary, CFO (1)

STRATEGIC PRIORITIES AND VISION



Michel Denis
President & CEO

"IN 2018, MANITOU GROUP IS THE NUMBER ONE PLAYER IN ITS MARKETS THANKS TO ITS LEADERSHIP IN PRODUCTS AND SERVICES"

Offering its customers the greatest value, the group increases its market share, builds sustainable and profitable organic growth and delivers operating results of 6 to 8% of sales.

In a rather mixed economic context with geographic disparities, there were several significant advances in Manitou Group's activities:

/ **first of all, our sales increased by 7% in 2014,**
/ **secondly, there was an improvement in our operational performance combined with the reduction in our cost prices and in our overheads,**
/ **and lastly, we launched many new products, showing a dynamic technological and commercial approach.**

These encouraging performances resulted from a year devoted to **overhauling and reinforcing** the system, laying out a solid roadmap that is both pragmatic and ambitious, and by drawing up a strategy that takes account of our customers' requirements, that is in line with shareholders' aspirations, is understood by all the organizations and teams.

By giving a new meaning to our organizations and placing customers at the heart of our everyday concerns, at all levels of the company, we have become more efficient and flexible, and have set up strong growth drivers for the future, such as service for example, which is the cornerstone of value creation for our customers and users.

We are confident in the future, given the high performance of our machines, the loyalty of our customers and the expertise of Manitou's teams. We shall continue to consolidate our advantages and favour bold, high performance technological choices, to offer our customers reliable, innovative handling solutions, at low total user costs but high added value.

STRATEGIC PRIORITIES

1. CUSTOMERS
CUSTOMER FOCUS, GAIN MARKET SHARE AND OUTSTRIP COMPETITION

2. ORGANIZATION
AGILE, LEAN, SIMPLIFIED, ENTREPRENEURIAL AND PROFITABLE

3. WITH PEOPLE
ACCOUNTABILITY, ENTREPRENEURIAL SPIRIT

4. MACHINES & SERVICES
ANTICIPATE AND PREPARE THE FUTURE

CORPORATE SOCIAL RESPONSIBILITY

Creating value and being involved in each stage of the product's life

Load handling and personnel lifting are at the crossroads of several economic, environmental and social challenges: demographic growth, urbanization, the industrial development of emerging countries, increased pressure on resources, etc. In all regions, changes are accompanied by the need for infrastructures such as transport networks, housing, access to renewable and non-renewable resources. Construction, agriculture and industries are at the heart of this transformation, and our handling equipment provides solutions for these requirements, enabling people to carry heavier and heavier loads, enhancing productivity and improving working conditions.

"Handling Your World" describes our "raison d'être", reflecting the group's adaptability and its commitment to local handling needs worldwide, and also its ability to meet the requirements of the future in an innovative manner.

OUR GREATEST CHALLENGE IN THE FUTURE? ASSERTING OUR COMMITMENTS BOLDLY AND PRAGMATICALLY, AND PROVIDING OUR CUSTOMERS WITH INNOVATIVE AND ECONOMIC SOLUTIONS TO ENSURE RESPONSIBLE AND SUSTAINABLE HANDLING.

Why? CSR is a differentiating factor that allows us to anticipate better and strengthen ties with our partners and employees. We are dedicated to providing our customers with sustainable handling solutions, building suitable partnerships with our suppliers to enable the implementation of these solutions and engaging all our employees in this virtuous process.

Michel Denis, President & CEO

RE-USE & END-OF-LIFE PLAYERS

- Non-renewable resources
- Life cycle and reuse of products
- Recycling
- Waste management

END-CUSTOMERS & USERS

- Safety and comfort of users
- Fuel efficiency
- Life cycle monitoring of the machine

DEALERS AND RENTAL COMPANIES

- Life cycle
- Total cost of ownership of the products
- Safety and comfort of users
- Fuel consumption

A CSR PLAN THAT WON THREE AWARDS IN 2014

"INEL D'OR"

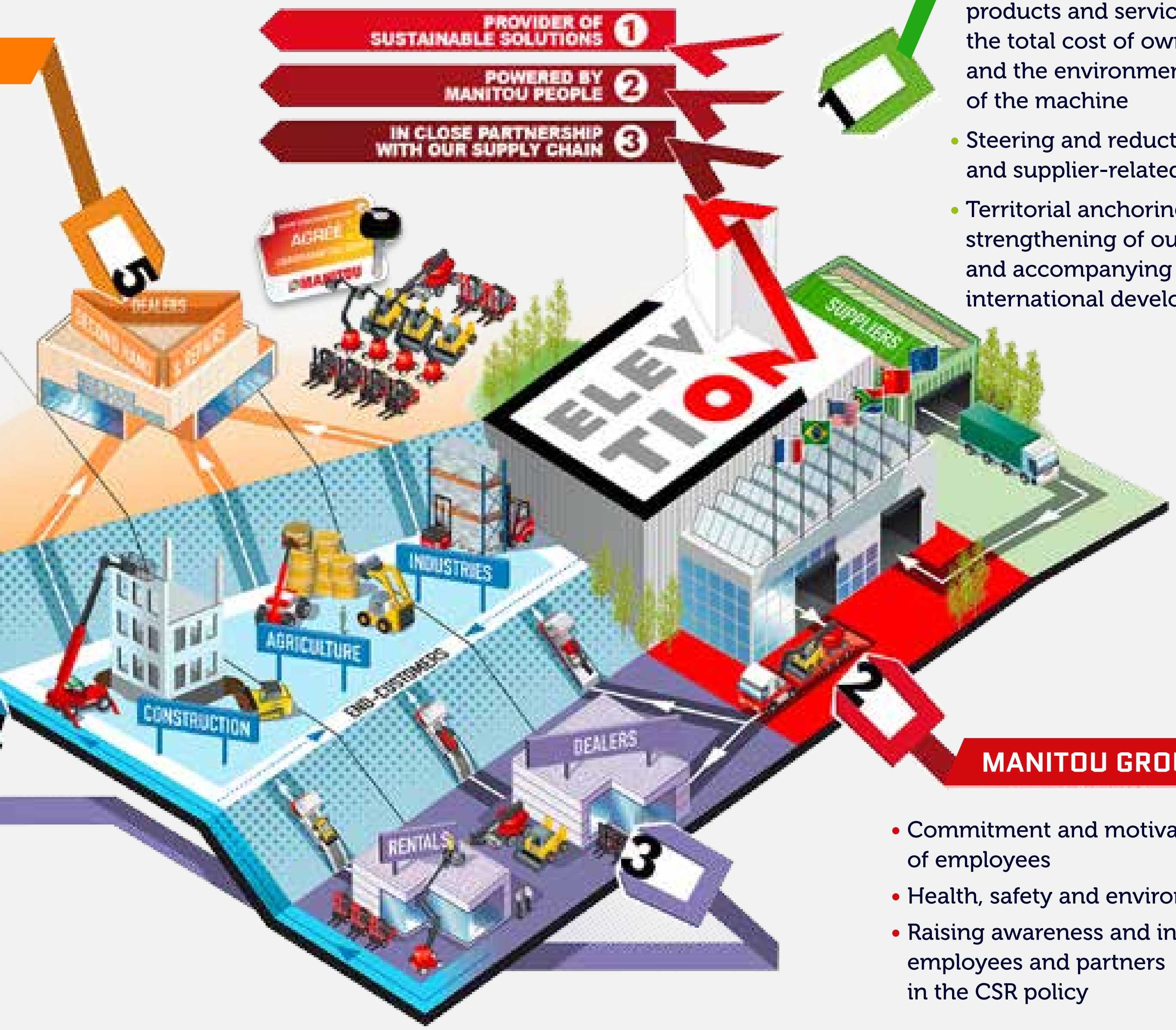
SEPTEMBER 2014

As part of the "INEL D'OR"* competition, in the machinery category, the jury gave Manitou Group a special award for its Fuel Eco Program called REDUCE. This shows the industry's token of recognition for Manitou Group's responsible approach that integrates awareness of a machine's fuel consumption.

**The "INEL D'OR" competition rewards companies for innovations in livestock farming.*

OUR VALUE CHAIN: WHO DOES WHAT?

INVOLVING ALL OUR BUSINESS PLAYERS, THE STAKEHOLDERS OF OUR VALUE CHAIN, TO MAKE IT MORE ACCOUNTABLE.



OUR SUPPLIERS

- Impact of the purchased products and services upon the total cost of ownership and the environmental footprint of the machine
- Steering and reduction of market- and supplier-related risks
- Territorial anchoring, strengthening of our ecosystem and accompanying our international development

MANITOU GROUP

- Commitment and motivation of employees
- Health, safety and environment
- Raising awareness and involving employees and partners in the CSR policy

GAÏA INDEX

NOVEMBER 2014

Manitou Group ranked first in the Gaïa Index for the industrial sector and third in the sector for companies with a turnover of more than €500m.

"GRAND PRIX" FOR COMPANIES AND THE ENVIRONMENT

DECEMBER 2014

Awarded at the POLLUTEC Exhibition, by ADEME and by the Ministry for Ecology, Sustainable Development and Energy, in the category "Management and initiatives for sustainable development".

AN ECONOMIC MODEL THAT CREATES VALUE

With an economic model based on businesses that create solutions, services and value for customers, the group continues to establish its reputation and implement its strategy in a pragmatic and innovative manner.

DESIGNER

PRODUCT INNOVATION, THE KEY TO A SUCCESSFUL DEVELOPMENT STRATEGY

Through its constant quest for innovation, the Manitou group can anticipate the demands of the market by designing products that match its customers' requirements perfectly. Besides, in optimizing its component sourcing group-wide by selecting the best partners at the very outset, the group has earned recognition for the quality and reliability of its products. The Manitou, Gehl, Mustang, Loc and Edge equipment have a constant competitive edge that is much appreciated by all of their users.

MANUFACTURER

A POWERFUL, HIGHLY FLEXIBLE INDUSTRIAL TOOL

In a move to adapt to fluctuating demand and the specificities of the different markets, the Manitou group has built its industrial tool around three guiding principles:

- development of the know-how in manufacturing structure assemblies such as frames, booms and masts;
- flexibility and responsiveness of its supply chain to optimize production, and the use of subcontracting and procurement of external components;
- use of its high-skilled assembly and fitting capabilities.

DISTRIBUTOR

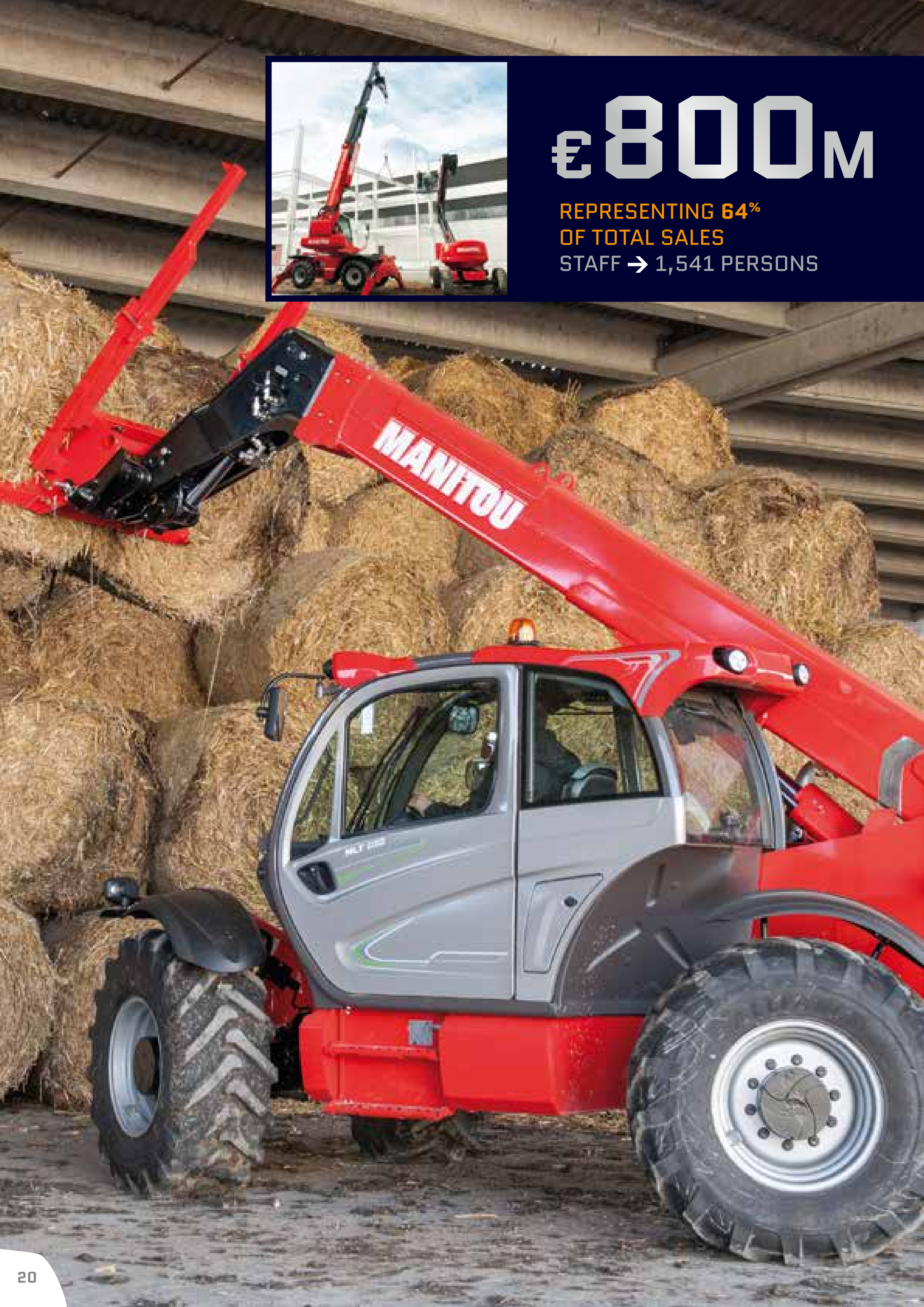
ROBUST NETWORK OF INDEPENDENT DISTRIBUTORS

From the outset, the Manitou group has focused on deploying reliable and powerful networks locally. There are nearly 1,400 dealerships and distributors spread over 140 countries, all specialized in handling equipment, who are the flag bearers of the group's brands, sharing the same commitment with their manufacturer. In proposing a comprehensive offering of services via its networks, from financing the equipment to its maintenance, the group meets the increasing pressing demand from customers for personalized service in tune to their requirements, which will allow them to optimize their use of the equipment.

PROVIDING SERVICE AND VALUE

THROUGHOUT THE PRODUCT'S LIFE CYCLE

The manufacturer focuses on achieving customer satisfaction and value creation. By listening to its customers, Manitou can design products and services that best meet their requirements and then provide them with support throughout the product's life cycle, to ensure the best performance, optimal user comfort and highest level of reliability. It even goes as far as integrating the control of fuel consumption and the product's second life.



€800M

REPRESENTING **64%**
OF TOTAL SALES
STAFF → 1,541 PERSONS

MHA DIVISION

MATERIAL HANDLING AND ACCESS

The MHA division is charged with designing, developing, and producing ranges of rough-terrain forklift-trucks and access-platforms for the construction, agricultural, and other industry markets (mining extraction, waste treatment, etc.).
This division is the group's main activity and its historic business.

Its primary product ranges are: fixed telescopic forklift-trucks, rotating telescopic forklift-trucks, high-tonnage telescopic forklift-trucks, rough terrain, thermal, electric, and bi-energy access-platforms.

MHA develops and manufactures its products onsite at its facilities in Ancenis, Candé, Laillé, and Beaupréau (France), Castelfranco (Italy) and Waco (USA).

2014 FOCUS

In 2014, the RTH and IMH divisions were merged into a single unit regrouping all handling materials and aerial platforms.
Thus, the MHA division was created. Its purpose is to design and produce all of Manitout's product ranges for the construction and agricultural markets, based on 4 business units.

2014 was also the year the MHA division's major 2015/2018 strategies were consolidated; this will result in action plans being implemented annually for each PU [Product Unit].

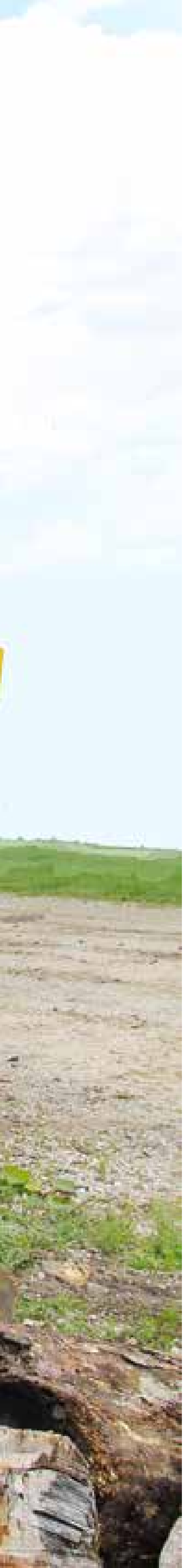
Concretely, 2014 saw priority given to operational activities, especially those designed to support:

- the development plan: MHA's ambition development plan in terms of innovation and new products, constrained by engine standards;
- the cost-reduction plan: designed to boost and maintain MHA's competitiveness. This plan covers all sectors of activity, with emphasis placed on Purchasing and Technical economies, as well as on Industrial Productivity and Overheads;
- the industrial and logistics plan: this will establish conditions for industrial responsiveness, as well as for optimizing employment and maintaining spare production capacity.

These important initiatives will continue in 2015 and will be accompanied by a set of additional measures designed to improve existing processes, anticipate the future and boost revenue, personnel and environmental protection.

€240M

REPRESENTING **19%**
OF TOTAL SALES
STAFF → 746 PERSONS



CEP DIVISION

COMPACT EQUIPMENT PRODUCTS

Grouped together in the "Compact Equipment Products" Division, activities related to the design and production of Gehl and Mustang products are carried out at the group's American sites (West Bend, Madison, Yankton, Waco and Belvidere).

Present in construction, agriculture and industries markets, the division's main ranges of products include: Gehl and Mustang tracked and wheeled skid-steers, excavators, skid loaders, articulated loaders, and telehandlers for the American market.

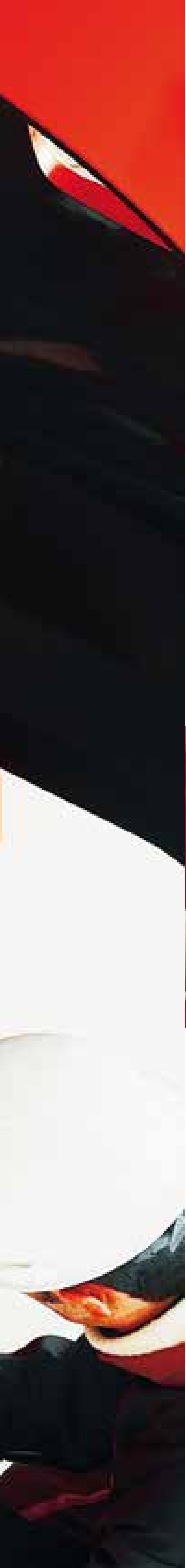
2014 FOCUS

In 2014, the Compact Equipment Division strategically positioned itself to take advantage of the increasing economic conditions in the rental, construction, energy and agriculture sectors in North America. While focusing on increasing capacity, implementing new technologies, operational enhancements and reducing lead times in our manufacturing facilities, the CEP Division was able to deliver quality products efficiently to our customers while capitalizing on new business opportunities. A renewed focus on market research continues to be a driver in the development of new and current product lines to ensure customer satisfaction and market position.

By implementing new technology and streamlining processes in our manufacturing facilities throughout 2015, the CEP Division will be prepared to capture future growth world-wide.

€207M

REPRESENTING **17%**
OF TOTAL SALES
STAFF → 440 PERSONS



S&S DIVISION
SERVICES AND SOLUTIONS

Beyond its products and their performance, Manitou Group has always aimed to bring material handling solutions to its customers. These solutions would not be complete without a real offering of related services to address market expectations: spare parts, after-sale service, financing, full service, warranty contracts and extensions, buy-back options, etc.

These services were developed in partnership with our dealers throughout an extensive and professional network. They enable us to stand out from competitors and innovate, which is a token of the loyalty and close relationship we have garnered with our customers.

As a show of how important this service component is, Manitou Group created a single division in early 2014 to bring all of these services under a single entity – Services & Solutions – to develop an efficient services hub tailored to current customer concerns.

2014 FOCUS

The creation of the new Services & Solutions Division was announced in April 2014 to support the group's new objective.

The Division's purpose is to anticipate and respond to customer demands with various service offerings pertinent to the sale of machinery. These offerings highlight the fact that the group's products represent the best compromise between performance and the total cost of ownership for our customers.

In 2014, a division dedicated to the development of services was created to further improve customer satisfaction based on a thoroughly revised roadmap. This took into account not only basic services, such as aftersales service, training and spare parts, but also more 'packaged' offerings such as telematics, usage-based billing, full service and customer financing solutions.

In 2015, several projects have been launched, in particular, measures to:

- optimize the TCO* of our machines and develop full service offers;
- improve our digital offerings (e-commerce, access to technical documentation and ticketing, service and logistical performance rate, spare parts).

*Total Cost of Ownership.

APPLICATIONS
MARKETS

AGRICULTURE

HELPING PEOPLE WORK, WHATEVER THE TERRAIN

By defining the solutions it offers in terms of user requirements, Manitou Group has developed a range of products that perfectly meets the requirements of markets as varied as agriculture, construction and a multitude of industries. In addition to machines, Manitou also offers these different segments a very wide range of attachments, thus making the machines more versatile and increasing value for users.

CONSTRUCTION

BUILDING TODAY'S WORLD FOR TOMORROW

INDUSTRIES

A HANDLING SOLUTION FOR EVERY INDUSTRY

SALES AND MARKETING STRATEGY

SATISFY CUSTOMERS ALL OVER THE WORLD, WHILE CREATING VALUE FOR THEM.

In an ever-changing environment, faced with very contrasting and fluctuating market constraints, the group's ability to set up an ambitious and agile commercial policy corresponds to two goals - satisfy customers all over the world while creating value for them. This assertive and differentiating positioning in relation to our competitors is the unmistakeable sign of our commercial leadership.

To achieve this, important projects were launched to support our major accounts and rentals and develop and provide the best services for all our customers and users.

These projects are carried out in partnership with our networks of dealers in all the countries. Special efforts are constantly made to take account of each geographic and cultural specificity and also each specific use.

Throughout the products' whole life cycle, the group is very committed to providing customers with service and value, being attentive and providing them with everyday support.

SALES REGIONS

→ AMERICAS

277

millions of euros

→ 2014 revenue

→ APAM*

136

millions of euros

→ 2014 revenue

* Asia, Pacific, Africa, Middle-East.

NORTHERN EUROPE

464

millions of euros

2014 revenue

SOUTHERN EUROPE

369

millions of euros

2014 revenue

MANITOU GROUP

2014 FINANCIAL REPORT

MANITOU GROUP

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MANITOU GROUP

1. MANITOU AND THE GROUP

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1.1 KEY FIGURES

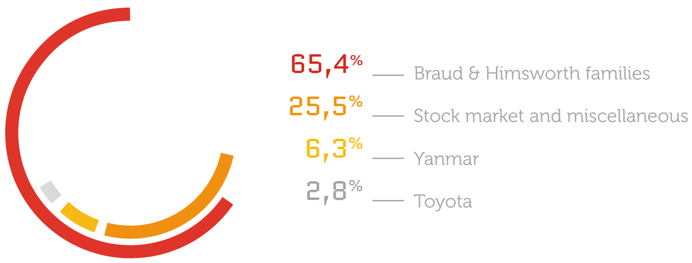
CONSOLIDATED FINANCIAL INDICATORS*

In million euros (except for headcount and dividend information)	2013	2014
Sales revenues	1 176	1 246
Recurring operating income	21	48
Operating income	16	46
Operating income including net income from associates	18	48
Net income attributable to the parent company	1	30
Shareholders' equity	413	455
Balance sheet total	833	923
Annual dividends paid (or proposed) in the following year (in euros)	0	0,35 €
Cash flow	24	40
Net debt**	85	97
Total headcount as at December 31	3 242	3 307

* Figures prepared in accordance with IFRS such as adopted by the European Union at the closing date of the financial statements (see section 8.1.5 of the notes to the financial statements at December 31, 2014).

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

SHAREHOLDER STRUCTURE AS AT 31.12.2014



Market capitalization at December 31, 2014: €482 million

Share price at December 31, 2014: €12.20

Number of shares: 39,548,949

Indices: CAC Mid & Small, CAC Small, CAC All-share, CAC All-Tradable, CAC Industrials, CAC Ind. Engin., Enternext PEA PME 150

Eligible for DSS long-only (Deferred Settlement Service)

Eligible for PEA savings plans

The shareholder structure is described in section 6.2.2 of this document.

1.2 HISTORY AND HIGHLIGHTS

HISTORY

1945 The company "Braud Mécanique Générale" founded in Ancenis in the Loire Atlantique region of France.

1958 Development and marketing of 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 telehandlers for the construction industry.

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

1989 Launch of the first telehandlers for the agricultural industry.

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

1995 Creation of a JV with the Toyota group in Ancenis for the assembly of the Japanese manufacturer's industrial forklift trucks for the European market. Launch of the first range of aerial access platforms and rough terrain truck-mounted forklift trucks.

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 product cross-distribution agreement with Gehl Company in the US and acquires a 14.9% stake in Gehl.

2008 Launch of a public offering for Gehl in order to strengthen the group's presence in North America and benefit from a portfolio of complementary products. Gehl becomes a wholly owned subsidiary of Manitou BF as of November 1, 2008.
Manitou celebrates its 50th birthday.

2009 Economic crisis causing a 54% decrease in sales and the beginning of a financial crisis. 150 Year celebration of the Gehl brand name.

2011 Merger with the holding company SFERT within the framework of a readjustment of family control. The opening of subsidiaries in Latvia, Brazil and India.

2012 The distribution partnership with Toyota France is ended.
Launch of our own range of industrial trucks outside of France.
Signature of a partnership with Yanmar in North America.

2013 Announcement of the termination of the mast assembly contract with Toyota France (TIE SA) as of January 1, 2015.
Strengthening of the partnership with Yanmar, which takes a 6.26% stake in Manitou.

* The company is indifferently referred to in this document as both Manitou and Manitou BF.

2013 AND 2014 HIGHLIGHTS

June 13 Signature of a new credit agreement for €220 million in funding, replacing the pre-existing contract.

January 2014 Appointment of Michel Denis to the position of President & Chief executive officer as a replacement to Dominique Bamas.

March Participation in the Conexpo trade show in Las Vegas in the construction and mining section. Preview presentation of the new MHT 1490 range, as well as new Gehl skid-steers.
The MLT 960, which was given a preview presentation at Agritechnica, is launched commercially in America.

June Participation in the APEX international trade show for aerial work platforms in Amsterdam. Presentation of the 260 TJ telescopic aerial work platforms and of radial lift R series skid loaders.
Manitou is awarded the trophy for exports by the GICAT (a grouping of companies within the defense and security industries) at the international Eurosatory trade show.

July Launch of the group's new organization based on 2 product divisions, MHA (Material Handling & Access) and CEP (Compact Equipment Products) as well as a service division, S&S (Services & Solutions).

August Arrival of Guillaume Rabel-Suquet who completes the management team as Director of Human Resources.

September Participation in the Electra Mining trade show in South Africa. Presentation of the most powerful telehandler in the world (capable of lifting 35 tons up to 14 meters).

November Manitou celebrates its 10 years in China and its statute of leader for telehandlers in Asia, at the BAUMA trade show in China.

December Manitou is awarded the jury's Grand Prize for «Environmental enterprises» presented by the minister of Ecology, Energy and Sustainable Development at the Pollutec trade show for its REDUCE approach. That prize rewards Manitou's commitment to corporate social responsibility at the benefit of its end-use customers.

1.3 THE GROUP'S MAIN BUSINESSES

On July 1, 2014, the group was reorganized into 3 divisions, two product divisions and a service division:

– **The MHA product division** (Material Handling and Access) - handling equipment and aerial work platforms for which the mission is the development and production of Manitou brand name telehandlers, masted industrial and rough terrain forklift trucks, truck-mounted forklift trucks and aerial work platforms.

– **The CEP division** (Compact Equipment Products - compact equipment) for which the mission is to optimize the development and production of skidsteers loaders, track loaders and articulated loaders, telehandlers branded Gehl and Mustang.

– **The S&S division** (Services & Solutions) includes all of the sales service businesses (financing, warranty contracts, maintenance and full service contracts, fleet management, etc.), the after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and end-user services (geo-localization, user training, advice, etc.). This new division's objective is to adapt its service offers permitting it to respond to the expectations of each of our customers in our value chain and to increase the resilience of group sales.

These three divisions design and assemble the products and services which are distributed by the dealers' sales and marketing organization and by the group's key accounts which are spread over 120 countries.

MHA DIVISION – MATERIAL HANDLING AND ACCESSS

The MHA division designs, assembles and distributes telehandlers (fixed, rotating, truck-mounted and high tonnage), masted forklift trucks (rough terrain, semi-industrial and industrial as well as truck-mounted) and aerial work platforms for personnel and warehousing equipment.

FIXED TELEHANDLERS

With a range of 6 to 18 meters and a lifting capacity of up to 6 tons, the fixed telehandlers have applications in the construction field as well as agriculture.

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

Within the construction industry, 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 telehandlers, enabling them to be used for a broad range of applications. The equipment utilization rate is around 500 hours a year.

Equipment made for the agriculture sector is engineered to withstand intensive daily use. It consists of five to ten meter telehandlers and can be equipped with a multitude of attachments for performing common day-to-day tasks (scraping animal houses, cleaning, feeding cattle, silo-unloader, handling bails of straw, loading and unloading materials, etc.). For example, stockbreeders use telehandlers 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.

ROTATING TELEHANDLERS

The rotating telehandlers quite simply permit the lifting of loads or persons to heights varying from 14 meters to 32 meters with a capacity of up to 5.5 tons, making it the highest telehandler in the world.

The very broad range of available attachments and the 360° rotation make it the most general-purpose machines for any construction site including the realization of art structures..

THE "PERFORMANCE" HIGH TONNAGE 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 to institutional customers like armed forces and organizations such as the UN, civil protection bodies, etc.

This equipment, with attachments like tire clamps or cylinder handlers, permits the maintenance of heavy and voluminous machinery.

The highest performing equipment can lift loads of over 35 tons to a height of up to 14 meters.

AERIAL WORK PLATFORMS FOR PERSONNEL

The platforms designed and marketed by the group include articulated, telescopic or vertical platforms. The platforms are powered by internal combustion engines for outdoor use and electrical engines for indoor use. A range of articulated aerial work platforms called “bienergy” are equipped with an internal combustion engine and an electrical engine which allow their batteries to be recharged without on-site transformers.

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

Rough-terrain aerial work platform with internal combustion

Aerial work platform powered electrically

ROUGH TERRAIN MASTED FORKLIFT TRUCKS

The rough terrain masted forklift trucks are the ideal product for outdoor applications where stability and maneuverability are essential. With a capacity of 2.6 to 7 tons, they are designed for use on any surface.

These rough terrain forklift trucks permit the transportation of long, voluminous and heavy loads everywhere. Robust and simple to use, they’re comfortable with the most rugged terrains.

INDUSTRIAL AND SEMI-INDUSTRIAL MASTED FORKLIFT TRUCKS

Manitou 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, graveled surfaces, etc.) and inside buildings or warehouses,

– industrial forklifts trucks powered by internal combustion, developed by Manitou and manufactured by an industrial partner, capable of moving on fully stabilized ground, outdoors,

– electrically powered industrial forklifts purchased from a partner, for indoor use.

TRUCK MOUNTED FORKLIFTS

The “Manitransit” forklift trucks are compact forklift trucks which use telescopic booms aimed at responding to the handling needs of truckers.

There is no longer any need to wait for a forklift truck to become available before unloading. A forklift which is directly mounted on the truck provides the transporter total autonomy and assures a complete handling service.

Truck-mounted telehandler

Truck-mounted masted forklift truck

WAREHOUSING EQUIPMENT

Warehousing equipment is distributed under the Loc and Manitou brand names and is intended for warehouse handling activities. Numerous differentiations permits the equipment to be adapted to specific uses.

CEP DIVISION - COMPACT EQUIPMENT

The Compact Equipment Products 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 CEP division's products are marketed under the Gehl and Mustang brand names.

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 robust 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 construction, agriculture and, to a lesser extent, manufacturing.

TRACK LOADERS

Since 2011, the division has been developing a range of track loaders particularly agile on loose surfaces. That type of equipment is mainly used for construction and agriculture.

TELEHANDLERS

The range of telehandlers assigned to the Compact Equipment division is composed exclusively of simple and robust equipment adapted to the North American market. Customers for such products mainly consist of regional and national rental companies.

ARTICULATED LOADERS

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

COMPACT EXCAVATORS

The division distributes a range of compact 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.

S&S DIVISION - SERVICES AND SOLUTIONS

The Services & Solutions Division has the mission of developing a whole range of services adapted to the needs of the end-users or dealers to facilitate the purchase, use and maintenance of the equipment.

It also distributes spare parts and attachments for all of the group's brand names to all customers.

SPARE PARTS

The division has 2 main platforms for storage and shipping in the United States and in France (16,400 and 30,000 square meters of floor space respectively), to ensure the delivery of parts to its customers within the shortest possible period of time. For regions farther away from those sites, some of the group's distribution subsidiaries are also equipped with logistic platforms in order to permit a higher level of reactivity.

ATTACHMENTS

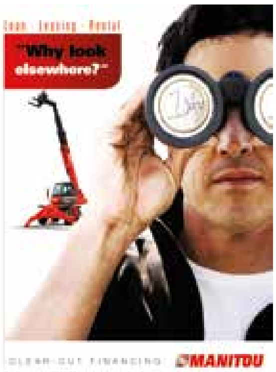
Manitoban develops a broad range of attachments in order to multiply the potential applications for its machines.

These standard or custom made attachments permit the development of multiple uses for our machines which is essential for customers.

FINANCING

Manitou proposes sales financing solutions to assist each customer in its development.

Manitou has associated itself with several financial partners to develop classic financing but also customized rental financing potentially combined with the related equipment maintenance service.

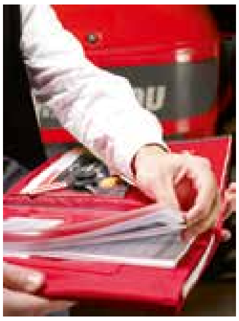


FLEET MANAGEMENT

Sensitive to meeting the operational needs of certain key accounts, the Services & Solutions Division directly manages the maintenance of industrial forklift trucks and other equipment owned by them ("full service" contract, long or short-term rentals). The Manitou group also developed telematic solutions for fleet management called "easy manager" permitting the remote monitoring of equipment.

WARRANTY EXTENSIONS / MAINTENANCE CONTRACTS

In order for customers to be able to concentrate on their businesses without worrying about the costs of maintenance and repairs inherent in the use of the group's products, the Services & Solutions division proposes maintenance contracts and warrantees of up to 5 years according to the products concerned.



TRAINING

The Services & Solutions division regularly organizes training for dealers, distribution network technicians and customers who want it, in order to ensure standard quality servicing and maintenance throughout the world.

These training sessions are provided at production sites in France or the United States but also locally at certain subsidiaries with the objective of permitting our networks to be rapidly trained regarding any developments in our equipment.

SECOND-HAND EQUIPMENT

The Manitou group, through its Services & Solutions division, also proposes second-hand equipment targeted towards dealers or customers. To that effect, the division has access to a refurbishing and sales platform in France to supply the group's networks.

1.4 INFORMATION ON THE GROUP'S MAIN SUBSIDIARIES AND ORGANIZATION CHART

THE GROUP'S MAIN SUBSIDIARIES

Manitou Americas

One Gehl Way

West Bend, Wisconsin 53095 – United States

A 100% owned subsidiary of Manitou BF

Business: The distribution of all group products in the United States and the Compact Equipment Product range 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	2014	2014	2013	2013
Sales revenues	$450,1m	€338,8m	$361,5m	€272,2m
Net income	$18,4m	€13,9m	$14,0m	€10,5m
Headcount at end of period		833		710

Manitou Italia

Via Emilia – Cavazzona

41013 Castelfranco – Italy

A 100% owned subsidiary of Manitou BF

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

IFRS	2014	2013
Sales revenues	€186,6m	€183,2m
Net income	€9,9m	€8,9m
Headcount at end of period	256	253

Manitou UK Ltd

Ebblake Industrial Estate

Verwood – Dorset BH 31 6BB – the United Kingdom

A 99.4% owned subsidiary of Manitou BF

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

IFRS	2014	2014	2013	2013
Sales revenues	£109,9m	€136,3m	£75,2m	€88,6m
Net income	£1,6m	€2,0m	£0,8m	€0,9m
Headcount at end of period		40		41

Manitou Deutschland GmbH

Diesel Strasse 34

61239 Ober Mörlen – Germany

A 100% owned subsidiary of Manitou BF

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

IFRS	2014	2013
Sales revenues	€84,1m	€84,6m
Net income	€1,3m	€1,4m
Headcount at end of period	23	26

Manitou Benelux SA

Chaussée de Wavre – Zoning Industriel

1360 Perwez – Belgium

A 100% owned subsidiary of Manitou BF

Business: The distribution of group products in Belgium, the Netherlands and Luxembourg

IFRS	2014	2013
Sales revenues	€81,4m	€69,2m
Net income	€1,3m	€1,2m
Headcount at end of period	19	19

GROUP CONSOLIDATION SCOPE AT DECEMBER 31, 2014

The group's detailed organization chart is included in note 2 "Manitou group consolidation scope at December 31, 2014" in section 8.1.5 of the notes to the financial statements at December 31, 2014.

1.5 PROPERTY, PLANT AND EQUIPMENT

EXISTING PROPERTY, PLANT AND EQUIPMENT

The main wholly owned buildings are:

Country	Location	Approximate floor space in square meters	Main functions
France	Ancenis, 44	82,000	Group headquarter and the MHA and S&S divisions, research center and assembly of fixed telehandlers.
	Ancenis, 44	30,000	Logistics center for spare parts.
	Candé, 49	9,500	Research and production center for aerial work platforms.
	Laillé, 35	10,000	Production center for compact telescopic forklift trucks.
	Beaupréau, 49	8,000	Research center and assembly platform for masted forklift trucks, truck mounted forklift trucks and warehousing equipment.
Italy	Castelfranco, ER	18,600	Research and assembly platform for heavy load and rotating telehandlers.
United States	West Bend, WI	14,000	Headquarter and research center for the Compact Equipment Products division.
	Madison, SD	24,000	Production center for skid-steers.
	Yankton, SD	16,900	Production center for telehandlers of the Compact Equipment Products division.
	Waco, TX	11,600	Assembly site for masted forklift trucks and truck mounted forklift trucks.
Singapore	Singapore	3,900	Offices, workshop for the preparation and warehousing of spare parts.

MAIN RENTED BUILDINGS

Country	Location	Approximate floor space in square meters	Main functions
France	Ancenis, 44	1,050	Administrative building
United States	Belvidere, Il	16,400	Spare parts center

2.
MANAGEMENT REPORT

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2.4 POST-CLOSING EVENTS 25

Following the appointment of Michel Denis to the position of President & Chief executive officer, the company adopted a new roadmap and a new organization centered around 2 product divisions, MHA (Material Handling & Access) and CEP (Compact Equipment Products) and a services division, S&S (Services & Solutions).

Within this framework of major internal change and a contrasted and uncertain economic environment, the group's 2014 sales revenues amounted to €1,246 million, an increase of 6% compared to the prior period.

The MHA division (material handling and access) saw its sales increase by 4% to €800 million, driven by the dynamism of the Northern European markets in the construction sector and the investments of the rental companies.

The CEP division (Compact Equipment Products) reported sales growth of 17%, or €240 million for the year 2014. The new product launches were well received by the market and the strength of demand in the American market were the main reasons for the sales growth.

The S&S Division (Services & Solutions) had reported sales of €207 million, an increase of 3% compared to 2013. This division, whose creation underlines the group's intention to orient its business towards providing a complete range of customer services, has been fully operational since the fourth quarter of 2014.

The growth in group sales, combined with the group's efforts to improve the productivity of its purchases and supply chain and reduce the company's fixed overhead structure, resulted in an improvement in the group's recurring operating income to 3.9%, or €48.1 million compared to €21.2 million or 1.8% in 2013.

The group recorded nonrecurring expenses of €2.8 million corresponding to the reorganization of its operational divisions, as well as exceptional income of €0.5 million on the divestiture of its asphalt paver business by the Compact Equipment Products division.

Tax expenses for the period included the capitalization of tax loss carry forwards related to prior periods from the parent company, given the improvement in financial performance in 2014, or €11.6 million of deferred tax assets on the balance sheet at December 31, 2014 compared to €8.2 million at December 31, 2013.

Net income attributable to the group amounted to €30.5 million versus €0.7 million in 2013.

The group's balance sheet position remains stable with shareholders' equity representing 49% of the total balance sheet amount, net debt of €97 million and an improved gearing ratio of 21%.

* The term is defined in section 2.2.9 of this document.

2.1 MANAGEMENT REPORT

2.1.1 SALES PERFORMANCE

Sales in 2014 increased by 6% in a very contrasted market which was highlighted, on one hand, by a notable decrease in the sales of agricultural equipment, a morose mining sector and a political and currency crisis in Russia, which negatively impacted the group's sales performance. On the other hand, there was the return of dynamic growth, in particular in the American and English markets, but also the renewal of the rental fleets of both national and regional rental companies.

It should be noted that group sales were unfavorably impacted by the discontinuation of the distribution of Toyota forklift trucks in France, the group having invoiced the remaining balance of its order book in 2013 in the amount of €9 million.

2.1.1.1 CONSOLIDATED SALES

The group is organized into three product and services divisions with shared sales forces serving four geographical regions.

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.

2013 Sales revenues						**2014 Sales revenues**				
Southern Europe	Northern Europe	Americas	APAM *	**Total**	In millions of € and as a % of total	Southern Europe	Northern Europe	Americas	APAM *	**Total**
307.1 *26%*	319.9 *27%*	51.8 *4%*	92.3 *8%*	**771.1** ***66%***	MHA	284.1 *23%*	374.0 *30%*	51.0 *4%*	90.7 *7%*	**799.8** ***64%***
6.7 *1%*	27.1 *2%*	155.5 *13%*	16.2 *1%*	**205.5** ***17%***	CEP	7.1 *1%*	27.0 *2%*	184.9 *15%*	20.9 *2%*	**239.9** ***19%***
79.0 *7%*	56.6 *5%*	40.1 *3%*	24.1 *2%*	**199.8** ***17%***	S&S	77.4 *6%*	63.2 *5%*	41.5 *3%*	24.7 *2%*	**206.8** ***17%***
392.9 ***33%***	**403.5** ***34%***	**247.4** ***21%***	**132.6** ***11%***	**1,176.4** ***100%***	**Total**	**368.6** ***30%***	**464.2** ***37%***	**277.4** ***22%***	**136.3** ***11%***	**1,246.5** ***100%***

* Asia Pacific, Africa, Middle East

TRENDS AT CONSTANT CONSOLIDATION SCOPE AND EXCHANGE RATES

Sales in millions of euros *% vs. 2013 Sales*	2013 Sales	Exchange rate impact	Toyota impact	Variance excluding exchange rates and Toyota	**2014 Sales**
MHA	771	-1 *0%*	-9 *-1%*	39 *+5%*	**800** *+4%*
CEP	205	-1 *0%*		35 *+17%*	**240** *+17%*
S&S	200	-2 *- 1%*		9 *+4%*	**207** *+3%*
Total	**1 176**	**-4** *0%*	**-9** *-1%*	**83** *+7%*	**1,246** *+6%*

SALES TRENDS BY DIVISION

SALES TRENDS - MATERIAL HANDLING AND ACCESS DIVISION (MHA)

The Material Handling and Access Division (MHA) markets material handling and personnel lifting equipment under the Manitou brand name within the construction and agriculture sectors, in industrial sectors, such as mining, in the environmental sector, as well as to institutional customers, military, etc.

The MHA Division reported an increase in 2014 sales of 4% compared to 2013. In 2014, the division represented 64% of total group sales versus 66% in 2013.

Sales performance - MHA division in Southern Europe

In Southern Europe, sales of €284.1 million decreased by €23 million, or 7%, as a result of the discontinuation of the Toyota contracts (contract for the distribution of industrial forklift trucks in France, for which invoicing stopped at the beginning of 2013 (-€9 million) and the subcontracting of the production of masts, with the discontinuation of the first range in July of 2013 (-€3 million) and the definitive discontinuation at the end of 2014).

The decrease can also be explained by the weakness in the sales of agricultural equipment in the two main markets within the region: France and Italy.

On the other hand, sales increased in Spain and Portugal, although overall, those markets remain very weak for the group.

Sales performance - MHA division in Northern Europe

Sales were strong, increasing to €374.0 million, up 17%, during the full-year period. That increase of €54.1 million was mainly a result of a very strong recovery in the English market, especially in the construction sector where sales doubled.

Markets in the Benelux and Scandinavian countries enjoyed double digit growth, reporting positive trends in all sectors, with the exception of agricultural equipment, which decreased significantly.

Only Russia reported a strong decrease, taking into account the political crisis in Ukraine and economic instability which was highlighted by the strong devaluation of its currency.

Sales performance - MHA division in North America

The division's sales of €51 million remained relatively stable with varying geographic dynamics.

The division benefited from the strong growth in the North American market, developing its market share through the large national rental companies.

The business in South America declined, penalized by the situation in Argentina, where the credit insurance companies have exited.

Sales performance - MHA division in the APAM region

The sales in this region decreased slightly to €90.7 million.

This sales region includes countries where the use of handling equipment is conventional and emerging countries where the use of equipment is gradually developing.

The region faced a slowdown in the mining sector in Australia and South Africa which are mature markets, while sales in India grew through contracts with key accounts.

Manitou Middle East, a subsidiary based in Dubai which was created in 2014, also permitted an improved local presence near the group's customers, which resulted in double digit growth for the business.

SALES TRENDS - COMPACT EQUIPMENT PRODUCTS DIVISION (CEP)

The Compact Equipment Products division markets handling equipment to the construction sector, the agricultural sector and, to a lesser degree, the industrial sector, under the Gehl and Mustang brand names.

The division, which realized 77% of its sales on the American continent, was able to develop its sales in all of its product ranges. It was capable of fully profiting from the growth of the American market as well as from the numerous new products it launched in 2014.

The division's sales of €239.9 million increased by 17% and represented 19% of group sales.

Sales performance - CEP division on the American continent

Sales of €184.9 million were reported representing growth of 19%. Demand in the American market remained strong, despite a first quarter perturbed by adverse weather conditions, permitting homogeneous growth on the entire CEP product line.

The sales of telehandlers which were already high in 2013, continued to grow with demand from the rental companies remaining favorable.

The sales of skidsteers which were penalized in 2013 by an increase in the value of equipment related to changes in the engines made prior to our main competitors, increased significantly.

Sales performance - CEP division in Southern Europe

The division realized sales of €7.1 million, an increase of 6% compared to 2013. The market in Italy, Europe's largest market for skid-steers, remained sluggish.

The sales increase was primarily realized in France with skidsteers.

Sales of articulated loaders, where competition is strong, remained stable.

Sales performance - CEP division in Northern Europe

The division reported sales of €27.0 million in 2014, stable compared to 2013.

They were penalized by the crisis in Russia. In effect, sales of skid steers were down 50% in Russia, which is the number 1 market in Europe.

The nice increase in sales of articulated loaders in Germany and the Benelux countries permitted the level of invoicing in this region to be maintained.

Sales performance - CEP division in the APAM region

Sales of €20.9 million increased by 29%, impacted by the sale of CEP telehandlers to key customers in the Middle-East.

Sales of skid-steers also increased in the Emirates, central Africa and India.

SALES TRENDS - SERVICES AND SOLUTIONS DIVISION (S&S)

The Services & Solutions division ensures the marketing of all of the group's spare parts and attachments for all products. The Services & Solutions Division has the mission of developing a whole range of services adapted to the needs of the end-users or dealers to facilitate the purchase, use and maintenance of the machines.

In 2014, the division's sales of €206.8 million represented 17% of group sales.

Sales performance - S&S division in Southern Europe

Southern Europe is the S&S division's primary market and accounts for 37% of its sales.

In 2014, sales decreased by 2% compared to 2013. That decrease was partially due to the transfer ot the Toyota spare parts to Toyota France in 2013, as the management of the spare parts was discontinued at the same time as the distribution of Toyota industrial forklift trucks in France by the MHA division.

In addition, the division provides the management of a rental fleet for the PSA customer account. Invoicing related to that business was impacted by the discontinuation of vehicle production at the Aulney site.

Sales performance - S&S division in Northern Europe

Business activity in Northern Europe increased by 12% to €63.2 million, or 31% of the total division sales.

That mainly took place in the UK and Central Europe.

Sales performance - S&S division on the American continent

Business activity increased by 3.5% to €41.5 million, representing 20% of total division sales, with the growth mainly taking place in the United States.

Sales performance - CE division in the APAM region

Business activity in Asia, Africa and the Middle East increased by 2% to €24.7 million, or 12% of total division sales.

The delay of investments in replacement equipment in the mining sector, and the reinforcement of sales teams permitted the development of the sales volumes for parts and equipment maintenance.

2.1.1.2 ORDER BACKLOG BY DIVISION

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

Due to the service nature of the business and the objective of delivering spare parts and attachments on a very short-term basis, the S&S division's order book is not a relevant indicator of future business activity. Only the product divisions' order books permit the assessment of markets trends.

The order book can be split by division as follows:

In millions of euros	**31.12.2013**	30.06.2014	**31.12.2014**
MHA	228.5	234.4	233.6
CEP	67.7	68.9	78.2
Group total	**296.2**	**303.2**	**311.8**

The order backlog at the end of December 2014 increased by 5% as compared to the end of December 2013. The Compact Equipment Products division's order backlog includes several orders from rental companies for delivery in early 2015.

2.1.2 BREAKDOWN OF SALES BY BUSINESS SECTOR

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

IN THE CONSTRUCTION SECTOR, even if the level of business remains low and is subject to strong competition, the steady growth of the American and English markets alone permitted the growth of sales in this sector, especially for fixed and rotating telehandlers.

Following a 2013 highlighted by difficulties in production which provoked delays in deliveries, sales were strong in 2014. The market for aerial work platforms continued to progress, thanks to the growth of rental companies, following the year 2013 for which record sales were invoiced for this type of equipment.

2014 sales realized within the construction market represented 41% of total sales compared to 37% in 2013.

IN THE AGRICULTURAL SECTOR, after a period of stability in 2013 and in the first half of 2014, the sector experienced a slowdown in the second half of 2014 which reduced sales by 20%.

Economic uncertainties in Europe, the main market in the agricultural sector, the collapse in milk prices following the embargo of dairy products from Russia and the decrease in the market prices for cereals weighed heavily on our customers' investment decisions.

Sales realized in the agricultural segment represented 34% of total consolidated sales in 2014, versus 36% in 2013.

IN THE INDUSTRIAL SECTOR, where the group's presence extends across businesses as diverse as manufacturing, mining, the logging industry, the oil and gas industries, waste treatment and recycling or logistics, growth was weak. The increase in the sales of Manitou industrial forklift trucks, a range launched in 2013 in France, was good however the sector was penalized by a morose mining sector.

The industrial sector accounted for 25% of consolidated sales in 2014 as compared to 27% in 2013.

2.1.3 COMPETITIVE POSITION

Since its origin, 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 sectors for many years.

For the MHA and CEP divisions, the main competitors on the construction and agricultural markets are the following:

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
Bobcat (Doosan group)	South Korea	Listed
Haulotte	France	Listed
Caterpillar	United States:	Listed
Ausa	Spain	Non-listed
Dieci	Italy	Non-listed
CNH Industrial	United States	Listed
John Deere	United States	Listed
Claas	Germany	Non-listed

For MHA division, the main competitors on the industrial market are:

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

2.2 FINANCIAL RESULTS

2.2.1 CONSOLIDATED INCOME STATEMENT

In millions of euros	**2013**	**2014**
Sales revenues	1,176.4	1,246.5
Gross margin	**162 .7**	**186.8**
As a % of sales	13.8%	15.0%
Recurring operating income	**21.2**	**48.2**
As a % of sales	1.8%	3.9%
Restructuring & Impairment of assets	-4.7	-2.3
Operating income	**16.4**	**45.9**
As a % of sales	1.4%	3.7%
Operating income including net income from associates	**18.0**	**47.5**
Net financial income / expense	-9.9	-7.5
Taxes	-7.4	-9.5
Net income attributable to the equity holder of the parent	**0.7**	**30.5**

Although the group benefited from the growth in the North American and northern European markets, the improvement in gross margin associated with the increased sales (the volume effect) accounted for only 0.5% of the total improvement of 1.2%.

The improvement in gross margin was also due to the possibility of invoicing end-use customers for the increases in equipment values following the changes in the new generation of engines, with savings in purchasing and with technical productivity realized during the period, which represented 0.8 percentage points of the improvement.

Gross margin thus amounted to €186.8 million, or a favorable variance of €24.1 million.

The group continued to pursue its ambitious growth, combining the passage of current models to new, less polluting engines and reinforcing its commercial offering with new models. The capitalization of R&D costs increased by €1.2 million which should be viewed within the context of the decrease in net R&D expenses of €1.4 million compared to 2013 reported in the income statement.

The company also deployed its efforts to reduce overhead expenses in order to reduce its break-even point.

It should be noted that there was a reduction in the provision for doubtful accounts of €1.2 million due to the reduction in uncollectable accounts.

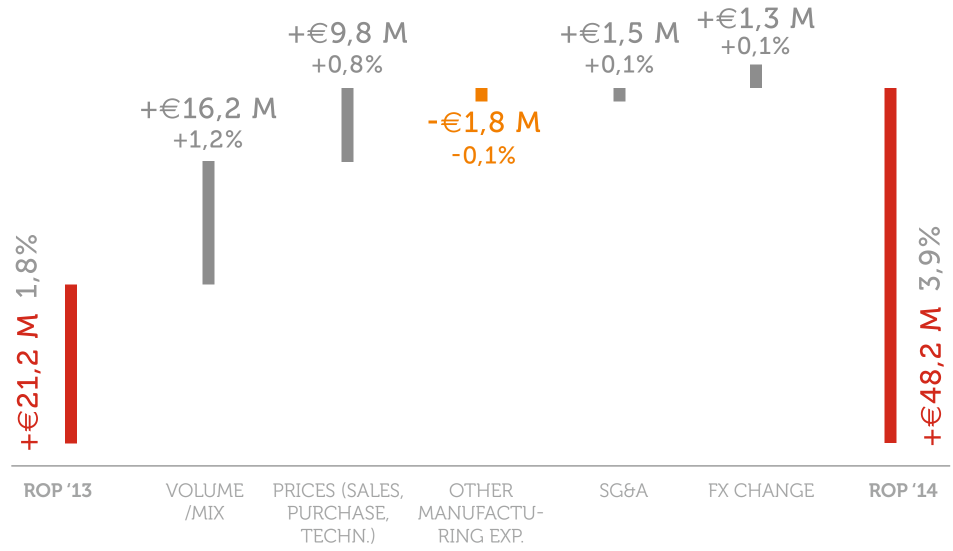
All of these actions resulted in recurring operating income of €48.2 million, a 3.9%, or €27 million improvement as compared to the €21.2 million or 1.8% reported in 2013.

The reorganization, which began in 2013, continued in 2014 with the deployment of a new organization which generated non-recurring expenses of €2.3 million.

The financial expenses for the period amounted to an improvement, however were not comparable to 2013, which was impacted by losses on the disposal of financial assets.

Restated for that impact, the financial expenses increased slightly after taking the impact of exchange rates into account. Group net income closed at €30.5 million, compared to €0.7 million in the prior period.

CHANGE IN GROUP OPERATING INCOME BETWEEN 2013 AND 2014



2.2.2 INCOME STATEMENT BY DIVISION

In millions of euros	MHA	CEP	S&S	**2013**	MHA	CEP	S&S	**2014**
Sales	**771.2**	**205.5**	**199.8**	**1 176.4**	**799.8**	**239.9**	**206.8**	**1,246.5**
Gross margin	88.2	35.5	39.1	162.8	98.8	42.6	45.4	186.8
As a % of sales	11.4%	17.3%	19.6%	13.8%	12.4%	17.7%	21.9%	15.0%
Recurring operating income	**5.5**	**11.9**	**3.9**	**21.2**	**20.3**	**16.8**	**11.0**	**48.2**
As a % of sales	0.7%	5.8%	2.0%	1.8%	2.5%	7.0%	5.3%	3.9%
Restructuring costs and impairment	-3.6	-0.6	-0.6	-4.7	-2.3	0.2	-0.2	-2.3
Operating income	**1.9**	**11.3**	**3.3**	**16.4**	**18.1**	**17.0**	**10.8**	**45.9**
As a % of sales	0.2%	5.5%	1.6%	1.4%	2.3%	7.1%	5.2%	3.7%
Operating income including net income from associates	**1.7**	**11.3**	**5.1**	**18.0**	**17.6**	**17.0**	**12.9**	**47.5**

MHA DIVISION (MATERIAL HANDLING & ACCESS) - INCOME STATEMENT

Sales for MHA division increased in 2014 by 4%, despite the negative impact of the discontinuation of the Toyota contracts.

The division benefitted from the appreciation of the British pound which permitted it to regain its margins on our models in the United Kingdom, after having suffered a long time from the exchange rate versus the euro in a market where the competition is based locally.

Gross margins benefited from the implementation of technical productivity initiatives and cost savings on purchases amounting to an increase of 1% to €10.6 million.

R&D expenditures before capitalization remained flat at €20 million however amounts capitalized increased by €0.8 million.

Sales and marketing expenses decreased, despite the deployment of new sales forces in emerging countries where the group opened subsidiaries (Brazil, Middle East). The number of trade shows and events during the period was reduced.

The division also contributed largely to the cost reduction plan related to the group's fixed overhead expenses.

Recurring operating income amounted to €20.3 million or nearly four times the operating income in 2013 on sales growth of 4%.

The division also supported a weighted portion of the group's and divisions' non-recurring expenses which financially impacted the entire consolidation scope.

CEP DIVISION (COMPACT EQUIPMENT PRODUCTS) - INCOME STATEMENT

The Compact Equipment Products division reported a major improvement in sales which increased by €34.4 million, driven by a dynamic North American market and the introduction of a sales financing program which is more adapted.

The gross margin thus increased by 0.4% to 17.7%, despite adverse weather at the beginning of the year and the necessary changes in production tooling to meet demand.

Given the full employment environment in the CEP manufacturing regions, the division is also experiencing market salary pressure.

The division strengthened its sales and marketing structure through its participation in the Conexpo trade show in Las Vegas at the beginning of the year, the organization of events to lead its network, and an increased local presence.

The division's recurring operating income amounted to €16.8 million (7.0%) compared to income of €11.9 million (5.8%) in 2013.

Non-recurring expenses supported by CEP division were related to the group's reorganization. Exceptional income of €0.5 million was also recorded related to a gain on the disposal of the asphalt business which was not considered to be a part of the division's core business.

S&S (SERVICES & SOLUTIONS) DIVISION - INCOME STATEMENT

The Services & Solutions division experienced moderate but steady growth, that business being much less cyclical than the product divisions given the recurring nature of sales for spare parts and attachments. In addition, initiatives taken since 2014 to develop a complete catalog within the business will not take effect in terms of sales increases until 2015.

On the other hand, gross margin increased significantly to 21.9% or an increase of 2.3% compared to 2013, partially due to changes in pricing through a policy of more restrictive discounts and partially through improvements in productivity on purchases and shipping.

The headcount reduction policy contributed to the improvement of the operating income in the amount of €0.9 million. Recurring operating income amounted to €11.0 million or 5.3% versus 2.0% in 2013.

The division also carried €0.2 million of non-recurring expenses related to the reorganization of the group, as did the product divisions.

The division's medium term objective is to simplify the customer / supplier relationship through the implementation of innovative service solutions corresponding to the local needs of our customers worldwide but also to provide a "best in class" level of service on all after-sales service requests.

2.2.3 FINANCIAL STRUCTURE

Working capital from operating activities of €421 million, excluding financing receivables, increased significantly by €74 million, or 21%, due to a high inventory level compared to the prior period (+ €82 million).

Inventories continue to include significant quantities of Euro IIIA and Euro IIIB engines for the assembly of equipment compliant to those standards until the arrival, respectively, of the Euro IIIB and Euro IV standard engines which will continue to be gradually introduced. Those inventories ensure a smooth transition of the change in standards.

Finished goods inventories also increased by €31 million due to the growth in sales, but also due to the proactive scheduling for the production of equipment for rental companies in the second half-year period of 2014 in order to better balance the production rates in the first half of 2015.

Shareholders' equity amounted to €455 million versus €413 million at December 31, 2013. At December 31, 2014, it represented 49% of the total balance sheet amount as compared to 50% in 2013.

The group's net debt increased slightly to €97 million versus €85 million, this improved performance being offset by cash expenditures for inventories and a slight increase in investments. The level of gearing* remained stable at 21%.

2.2.4 INVESTMENTS

The group realized investments of €29.2 million in 2014 versus €27.1 million in 2013. Investments in intangible assets increased from €4.3 million to €5.6 million under the effect of an increase in development projects included with the application scope of IAS 38 related to projects which will enrich the existing range.

Tangible investments made in 2014 amounted to €23.6 million and were mainly related to an increase in the rental fleets for the "full service" business for key accounts in France (€2.9 million) as well as the basic rental business (€3.3 million, of which, €2.0 million in Singapore).

Investments in land and building improvements (€2.5 million) relate to extensions of buildings and parking places mainly in France, to limit expenses related to external warehousing and the rental of office space, as well as the maintenance of the existing buildings.

The group also invested €10 million in production equipment (an automated welding workshop and robots) and small equipment tooling of €4.8 million.

* The term is defined in section 2.2.9 of this document.

SUMMARY OF INVESTMENTS BY NATURE

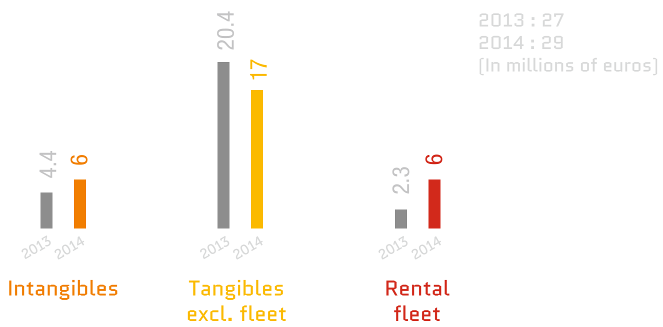
In thousands of euros	31.12.2013	31.12.2014
Development costs	2,590	3,654
Other intangible assets	1,764	1,992
Total intangible assets	**4,355**	**5,645**
Land	87	1,190
Buildings	9,388	1,381
Plant and equipment	5,299	4,806
Rental fleet	2,338	6,211
Other tangible assets excluding rental fleet	2,291	4,759
Property, plant and equipment in process	2,964	5,233
Total tangible assets	**22,700**	**23,579**

MAIN INVESTMENTS IN PROCESS

At the filing date of this document, there was no single significant project in process (that is to say, greater than €3 million).

MAIN INVESTMENTS OUTSTANDING

The main investments outstanding relate to the ongoing modernization of industrial facilities, the expansion or acquisition of buildings, the renewal of the rental fleet and the modernization of IT systems. There was, at the filing date of this document, no single significant investment project in process.



2.2.5 CASH FLOW

Cash flow improved notably to €40.4 million versus €23.6 million in the prior year as a result of the significant improvement in the group's profitability.

Working capital requirements grew strongly (-€38.8 million), penalized by major increases in inventories of components (engine activity and storage for the Euro IIIA and Euro IIIB) and inventories of finished products (in expectation of rental companies orders).

As a result, cash from operating activities was nearly break-even at €1.6 million. Cash flow from investment activities remained contained at -€14.4 million and the group did not distribute dividends in 2014 related to 2013. Cash decreased by €9.7 million during the period.

2.2.6 MANITOU BF - THE PARENT COMPANY

FIGURES IN LOCAL STANDARDS

Manitou BF's sales increased by 7% to €881 million versus €825 million in 2013. Operating income benefited strongly from the volume effect, which made it possible to absorb overhead relating to the production of equipment in France, to reach €1.7 million compared to a loss of €24.8 million in 2013.

The company also worked on the rebalancing of its overhead expenses significantly reducing its use of external service providers and other external expenses.

The financial result benefited from favorable trends in currency exchange rates which impacted the share value of subsidiaries held by €29.7 million, especially in the case of the Manitou Americas subsidiary. It amounted to €41.6 million compared to €12.5 million in 2013.

Net income for the period amounted to €44.8 million versus a loss of €14.3 million in 2013.

Retained income for the period permitted an increase in the value of shareholders' equity to €451 million compared to €412 million in 2013 as the company did not distribute dividends in 2014.

Shareholders' equity at December 31, 2014 represented 52% of total assets. Net debt increased to €164 million at December 31, 2014, or an increase of €8 million, impacted by an increase in inventories and work-in-process of €36.5 million.

SALES AT MANITOU BF

Manitou BF's growth, like the rest of the group, was driven by the sales of telehandlers and aerial work platforms for the construction sector and rental companies.

Sales were also impacted by a noticeable improvement in the sales of rough terrain masted forklift trucks following a 2013 which was highlighted by operating issues in that business which were resolved in the first quarter.

Because of that, sales increased by 8% for the MHA (Material Handling and Access) division and 4% for the S&S (Services & Solutions) division. The CEP division's sales, which increased by 47%, remained small relative to the total sales of Manitou BF.

The sales growth was mainly realized in the Northern Europe region (16%) and the APAM region (12%) while sales decreased by 3% in the Southern Europe and America regions.

MANITOU BF INCOME

The gross margin changed little compared to 2013, stabilizing at 27.2%, or €240 million. Operating expenses decreased significantly, along with other purchases and external expenses, for a combined decrease of €14.5 million.

Operating income amounted to €1.7 million, compared to a loss of €24.8 million in 2013.

The financial result of €41.6 million included the reversal of a provision of €29.7 million related to the share value of the group's subsidiaries, including €27.3 million on the shares of Manitou Americas alone, taking into account the increase in the US currency and the company's strong performance.

After taking into account exceptional income of €2.8 million, net income amounted to €44.8 million compared to a loss of €14.3 million in 2013.

FIGURES STATED IN IFRS

Manitou BF's main income statement indicators under IFRS are sales of €902.9 million, recurring operating income of €36.9 million and net income of €20.2 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 products in France.
The company financed sales of €52.7 million in 2014, a 10% decrease. It reported net income of €2.1 million, €1 million of which was reported using the equity accounting 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 €157.4 million in 2014. Net income after taxes of €2.1 million resulted in net income of €1 million reported in the group's financial statement using the equity method.

2.2.8 OTHER INFORMATION RELATING TO 2014

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 just ended include the amount of €512,241 corresponding to rental expense and the portion of directors' attendance fees that cannot be deducted for tax purposes.

USE OF THE TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT

The companies Manitou BF & CFM credited personnel expenses of €2.9 million related to the CICE (the French tax credit for competitiveness and employment). That tax credit was used in accordance with the objectives provided for by law.

INFORMATION ON THE TERMS OF PAYMENT FOR MANITOU BF'S SUPPLIERS

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 31.12.2013	Balance at 31.12.2014
Payable within 30 days	38,858	27,822
Payable within 45 days		
Payable within 60 days	42,738	39,535
Payable in over 60 days	4,758	28,645

INFORMATION ON ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The group's consolidated financial statements for the year ended December 31, 2014 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, 2014 were reported by the group based on the same accounting principles as for the 2013 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. The portion of net income related to these companies previously reported as net income using the equity method, was reclassified in accordance with the recommendations of the French accounting authority, the ANC, after operating income in a distinct line item entitled "operational income including net income from associates".

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 fleet management services and of other miscellaneous services.

COST OF SALES

The cost of sales consists of the cost of goods and services sold which includes the cost of materials and components, labor directly attributable to the goods or services, as well as all related operating costs for the production and logistics activities. The depreciation and amortization 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. 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 amortization 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, etc…). The amortization 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.

OPERATIONAL INCOME INCLUDING NET INCOME FROM ASSOCIATES

The new aggregate line item entitled “Operating income including net income from associates” includes the proportionate share of income from associates in operating income.

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 amortization and write-offs for impairment.

EBITDA FROM RECURRING OPERATIONS

Operating income – income and expenses on non-recurring items +/- increases - reversals of depreciation or amortization 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 process + 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 BACKLOG

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.

2.2.10 OUTLOOK FOR 2015

At constant exchange rates and consolidation scope, Manitou confirms its outlook for 2015 of an increase of 3% in sales compared to 2014 and a margin on income from recurring operations of 4.0 to 4.5%.

2.3 RESEARCH AND DEVELOPMENT

INFORMATION ON RESEARCH AND DEVELOPMENT

In line with its strategy, the group continues to invest in innovation and product improvements. Its development teams are spread across five engineering and design offices and represent more than 7.8% 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.

Manitrax (Mines) - First Presentation with Electra Mining in September 2014

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. 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 migration 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 permitting the manufacturers to assemble a quota of machines with engines meeting the old standards. In Europe, the quotas are determined on the basis of the average engine sizes of the same type marketed over the last five 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.

– Advance inventories 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 other 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 value 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.

Manitoban is thus forced to build inventories of the previous generation of engines to ensure the transition, in order to:

– avoid the stoppage of product offerings in those territories requiring equipment which complies with the new rules as of a certain date or the prior generation equipment covered within the framework of transitional measures;

– 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 the 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 of this document entitled "Regulations and regulatory environment".

CHANGES IN DEVELOPMENT EXPENSES

	2013		2014	
In millions of euros and as a % of sales for the period	Amount	As a % of sales	Amount	As a % of sales
Capitalized expenses	2.4	0.2%	3.6	0.3%
Uncapitalized expenses and amortization expense	24.3	2.1%	22.7	1.8%
Total	**26.7**	**2.3%**	**26.4**	**2.2%**

The group maintained its research and development expenditure in order to pursue the defined product plan and fulfill the trends of changes of its product standards.

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.

Innovation within Manitou aims to provide innovative solutions for the equipment, the attachments and the associated services and to reduce the cost of operating the equipment, while improving its performance.

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 2014 amounted to 69. In addition, 10 patent applications were filed in 2014.

No single patent is strategic for the group in and of itself. Therefore, there is no significant dependence.

2.4 POST-CLOSING EVENTS

No major event, having a future impact or which might have an impact on the interpretation of the group's 2014 income occurred subsequent to the closing date.

3. RISK FACTORS AND RISK MANAGEMENT

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3.4 RISKS COVERED BY INSURANCE 34

The chapter «Risk factors and risk management» is an integral part of note 8.10 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 departments of the parent company and of each subsidiary are responsible for assessing, controlling and overseeing 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 8.10 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 of the group's liquidity, 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 (€7 million) and a second one in 2013 (€12.5 million).

The means to obtain long-term financing are mainly concentrated within the parent company. Lines of credit from banks amounted to €208 million in addition to €44 million in ordinary bank overdrafts at December 31, 2014. Net debt amounted to €97 million at December 31, 2014.

June 2013 credit agreement

The parent company entered into a new financing contract on June 27, 2013 for a period of five years. That financing contract includes clauses for ratios (covenants) or "material adverse change*" and for "cross default*" which may limit the potential use of or affect the terms of credit lines. It includes negative pledge clauses* accompanied by thresholds and derogations.

The covenants related to all funding were respected at December 31, 2014 and the existing lines will cover all financing needs over the next 12 months.

Bank overdrafts

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

The company performed a specific review of its liquidity risk and, at the date of this filing, considers itself capable of meeting all upcoming maturities.

* The terms are described in section 2.2.9 of this document.

MATURITY SCHEDULE OF LIABILITIES ASSOCIATED WITH FINANCING ACTIVITIES AT DECEMBER 31

Facility *In millions*	Beneficiaries	Maturity	Amount in local currency	Amount in euros	Use at 31.12.14	Less than 1 year	From 1 to 5 years	Over 5 years
Credit agreement (June 2013)								
Term Loan A	Manitou BF	June 18	24	24	23	6	17	
Term Loan B	Manitou BF	June 18	38	38	36	0	36	
Capex Facility *multicurrency ($/€)*	Manitou BF or Manitou Americas	June 18	30	30	15	0	15	
Revolving Facility *multicurrency ($/€)*	Manitou BF or Manitou Americas	June 18	110	110	0	0	0	
Other financial income								
Bond (Micado 1)	Manitou BF	Oct.18	7	7	7	0	7	
Bond (Micado 2)	Manitou BF	Dec.19	12	12	12	0	12	
Other*	Miscellaneous		50	50	17	11	3	3
Sales financing debt **	Manitou Americas		1	1	0	0	0	
Group total				**273**	**110**	**17**	**90**	**3**
Financing leases					3			
Derivative instruments					2			
Shareholder pact and others					5			
Total financial debt					**121**			
Cash and financial assets					24			
Total net debt					**97**			

* Ordinary lines of credit or bank overdrafts + BPI loans

** See section 2.2.3 "Financial structure" for further details.

The various lines mentioned above are intended to finance all group transactions (General purpose).

At December 31, 2014, the maturity schedule of assets and liabilities related to financing totalled €273 million, of which, €112 million were used at this date. It should also be noted that the group has ordinary bank overdrafts available in the amount of €44 million as of the publishing date of this document (excluding the term loan and debt related to sales financing). For further details, please refer to section 8.7 of this document.

SUMMARY OF CONVENANTS ASSOCIATED WITH LIGNS OF CREDIT

Facility	Signatory	Main contractual clauses H2 2013 to H1 2018
Line A/B, Capex Facility and Revolving Facility	Manitou BF	Gearing* < 1 Leverage* < 3.5 except in certain cases Cap on investments Cap on acquisitions and removals of assets Limits on additional debt Clause on changes in control Dividends are limited to 50% of net income

Note 8 «Current and non-current financial liabilities» of the notes to the consolidated financial statements provides a detailed breakdown of all group debts. All clauses, ratios or covenants for "material adverse change"* and "cross default"* were respected at filing date of this document.

*These terms are defined in paragraph 2.2.9 of this document.

3.1.2 INTEREST RATE RISK

Interest rate risk

Gross debt is primarily long-term in nature and originally obtained at partially fixed rates 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 future 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 general financing of its operations. These commitments are mainly based on 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.).

However, 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 to rates and the rate of hedging coverage are shown in the following table. The sensitivity analysis below illustrates the impact on pre-tax income. No impact on shareholders' equity was noted.

TABLE OF HEDGING COVERAGE AND DEBT SENSITIVITY

	Percent hedged			Impact of a +/- change
Hedging on bank debt at variable rates	Fixed Coverage	Cap	Total*	+0.5% of the interest rates **
31.12.2014	65%	35%	100%	
31.12.2015	35%	35%	70%	€0,35m
31.12.2016	39%	0%	39%	€0,33m
31.12.2017	42%	0%	42%	€0,31m

* Based on variable rate bank debt at December 31, 2014.

** Based on the Euribor 3 month rate of 0.078% applied at December 31, 2014 (impact on pre-tax income).

For further details, please refer to notes 7.8 and 8.9 of the notes to the consolidated financial statements.

3.1.3 EXCHANGE RATE RISK

Exchange rate risk. This 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.

Every businessman supports the exchange rate risk related to the sale of his products. Given the respective sizes of the organizations and the geographical distribution of the products sold by Manitou BF and Manitou Americas, Manitou BF is the company most sensitive and impacted in terms of foreign exchange losses.

Currency risk on transactions. This risk 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 more rarely the subsidiaries provide hedging on the most significant cash flows for the amount of their net currency exposure following the evaluation of purchases made in foreign currencies.

In 2014, the Manitou group invoiced approximately 37% of its sales in foreign currencies, mainly in US dollars (20.7%), pound sterling (10.5%), South African rands (2.1%) and Australian dollars (2.4%), the other currencies being Singapore dollars, Russian rubles, Polish zloties, Brazilian real and Chinese yuans. In 2014, exchange rate hedges mainly consisted of forward sales on pounds sterling, Australian dollars and South African rands.

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 December 31, 2014 for the major 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.

31.12.2014

In thousands of euros

Receivables and debt denominated in foreign currencies Detail by functional currency	**AUD/EUR +5%**	**GBP/EUR +5%**	**USD/EUR +5%**	**ZAR/EUR +5%**	**SGD/EUR +5%**	**PLN/EUR +5%**	**RUB/EUR +5%**
EUR							
Receivables (AUD, GBP, USD, ZAR)	550	984	543	438	0	121	
Debts (AUD, GBP, USD, ZAR)	-1	-741	-62	0	0	0	
Cash and cash equivalents (AUD, GBP, USD, ZAR)	273	840	242	0	2	9	
Subtotal	823	1,082	722	437	2	130	
USD							
Receivables (EUR)			-733				
Debts (EUR)			454				
Cash and cash equivalents (EUR)			0				
Subtotal			-280				
GBP							
Receivables (EUR)		-73					
Debts (EUR)		0					
Cash and cash equivalents (EUR)		-261					
Subtotal		-334					
ZAR							
Receivables (EUR)				0			
Debts (EUR)				0			
Cash and cash equivalents (EUR)				0			
Subtotal				0			
SGD							
Receivables (EUR)					-298		
Debts (EUR)					536		
Cash and cash equivalents (EUR)					-112		
Subtotal					126		
RUB							
Receivables (EUR)							-59
Debts (EUR)							340
Cash and cash equivalents (EUR)							0
Subtotal							281
Total	**823**	**749**	**443**	**438**	**128**	**130**	**281**

The net position of the businesses' operations in major foreign currencies versus the euro is as follows:

Vs EUR

In thousands of euros	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
AUD	15,644	-11	15,633	-12,856	2,777
GBP	34,651	-14,085	20,566	-58,577	-38,011
USD	14,910	-1,184	13,726		13,726
ZAR	8,313	0	8,313	-13,377	-5,064
PLN	2,462	0	2,462	-4,721	-2,259
Total	**75,980**	**-15,280**	**60,700**	**-89,531**	**-28,831**

Vs USD

In thousands of euros	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
EUR	16,925	-10,470	6,455		6,455
Other currencies	35	0	0		0
Total	**16,960**	**-10,470**	**6,455**	**0**	**6,455**

Vs GBP

In thousands of euros	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
EUR	4,936	0	4,936		4,936
Other currencies					
Total	**4,936**	**0**	**4,936**	**0**	**4,936**

* In addition to the open positions at December 31, 2014, the group hedged a portion of its future operating transactions in foreign currencies. Derivative instruments contracted for these future transactions are classified as cash flow hedges whenever hedging relationships as defined in IAS 39 exist. It should also be noted that the sensitivity analysis indicates the impact on pre-tax income. No impact on shareholders' equity was noted. For further information, please refer to note 8.8 in the notes to the consolidated financial statements at December 31, 2014, section 8.1.5.

CURRENCY CONVERSION RISK ON THE INCOME STATEMENT

Exchange rate fluctuations impact the consolidated income through the conversation of the subsidiaries' income statements from foreign currencies to euros. The group does not cover that type of risk.

Currencies (In millions of euros)	Sales	Operating income	Net income
USD	272	21	13
GBP	136	3	3
ZAR	32	2	2
AUD	31	1	1
SGD	24	1	1
Other	23	-4	-5
Total	**517**	**25**	**15**

CURRENCY CONVERSION 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

Currencies (In millions of euros)	Net investment	% Hedged	Impact of a 5% fluctuation in the euro on shareholders' equity
USD	163	0%	-8
GBP	11	0%	0
ZAR	15	0%	-1
AUD	4	0%	0
AUD	7	0%	0
Other	3	0%	0
Total	**204**	0%	**-10**

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	**2013**	**2014**
Sales financing receivables	6	4
Accounts receivable and related	222	239
Other receivables	25	21
Cash and cash equivalents	35	23
Total	**288**	**287**

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 methods 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 1.6% of total consolidated sales.

The Finance Department also ensures that counterparty collection risks are spread over leading financial institutions. For further information, please refer to note 10 in the notes to the consolidated financial statements at December 31, 2014, section 8.1.5.

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 having to make additional payments to meet the minimum coverage requirements of some plans or to respect its commitments.

For further information, please refer to notes 1.18 and 16 in the notes to the consolidated financial statements at December 31, 2014, section 8.1.5.

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 segment) and 3.2.4 (country risk).

3.2.1 SUPPLIER RISK

The group specialises in the design and assembly of handling equipment. Purchases of raw materials 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 suppliers' failures have led to partial shutdowns of factories as well as delays in the production or development of Manitou products.

Manitou is not totally dependent on any supplier however the replacement of a supplier may require a long process of selection and qualification. The substitution becomes even more complicated if the organ concerned is complex (engines, axle, 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;
– the placement of in-house teams at suppliers to assist them in the continuous improvement of their processes;
– a replacement or backup plan on the most sensitive supplies.

Within the MHA division, 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. This project aims to gradually rationalize the number of suppliers while expanding the geographical range on which it relies.

Portion of materials purchased from top 10 suppliers in 2014 (%)	
1st	8%
Top 5	18%
Top 10	25%

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 reason:

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:

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

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

Changes in technical standards require making technical changes according to a schedule specified by law (for example: new engines with reduced emissions). 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, Waco 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.

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 specifications regarding reliability and safety.

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.

3.2.4 BUSINESS RISKS

RISK OF THE NON-RENEWAL OF MAJOR CONTRACTS

PARTNERSHIP WITH YANMAR

In January of 2012, Manitou announced a new partnership, for a period of 5 years with Yanmar, a Japanese engine production group 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.

PARTNERSHIP WITH HANGCHA

Manitou sub-contracts since 2012 the production of internal combustion powered industrial forklift trucks with Hangcha for which, the design and development are provided by the Manitou teams.

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.

The group's business in certain countries carries risk, especially: GDP volatility, economic and political instability, potential social unrest, regulatory changes, customer payment difficulties, significant fluctuations in interest rates and foreign exchange rates, a lack of liquidity in the currency and currency exchange controls. For more information concerning risk management for distributors, please refer to section 3.1.4 entitled "Credit risks". 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 UNINSURED PORTION OF RECEIVABLES

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.

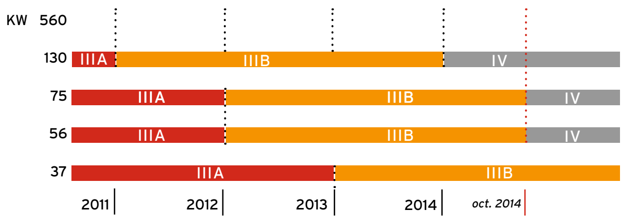
Regulators in the European Union, Japan, the USA (EPA - Environmental Protection Agency) and Canada agreed on regulations for off-road diesel equipment that limit emissions of:

- Carbon monoxide (CO)
- Hydrocarbons (HC)
- Particulate matter (PM)
- Nitrogen oxides (NOx)

The EPA in the US 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 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 application dates.

Since January 1, 2012, the Euro IIIB (UE)/Interim Tier 4 (USA) regulations applicable to engines with power above 56 kW (76.2 hp) came into 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 levels of NOx and PM 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 particle filters.

The new generation of engines requires a specific quality of diesel fuel which renders 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 or the applicable regulations while maintaining the equipment best adapted to the other regions.

The transition from one standard to another includes flexibility clauses that may vary from one continent, country or region to another.

The changes in standards create significant complications for the constructors which results in:

– Major R&D efforts in order to re-dimension the total of all equipment to the characteristics of the new engines;

– The risk of a rupture in the product offering in the case of failure in the development of new equipment compatible with the new regulations within the timeframe provided (potential delays coming from either Manitou or its suppliers);

– The balance sheet risk associated with advance purchases of engines

– intended to cover the transition phases (€68.7 million in inventory at December 31, 2014);

– Quality risks related to the storage of engines which must be provided with respect to a constant level of humidity and temperature. Controls have been put in place to examine the engines prior to any assembly;

– The risk of capacity constraints on upstream engine manufacturers supplying the engines actually required during the transition phase (as a reminder, a situation encountered in 2011);

– A significant increase in the cost of new equipment, without necessarily being able to immediately pass the increase on to the customer, and with no particular advantage for the end user, which weighs on margins;

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

The changes in standards and the deadlines defined by the regulatory authorities are, in principle, monitored by the countries.

In any case, the risk exists that certain countries or regions may decide to apply more restrictive standards in order to promote the introduction of cleaner engines, thereby disrupting the use of pre-purchased engines.

Any change in the deadlines for applying the standards in one or more regions represents a significant volume of business for the group which could generate the risk of inventory obsolescence associated with pre-purchased engines.

LITIGATION RISK

Within the normal framework of its activity the group is currently involved in judicial actions.

The litigation consist of legal disputes related to products, commercial disputes and litigation towards personnel. Provisions recorded correspond to the group's and its advisors' best estimates at the year end closing of the risks incurred with respect to the litigation in process.

For further details, please refer to section 6.2.10, entitled "Legal proceedings and arbitration" as well as note 14 of the notes to the consolidated financial statements at December 31, 2014, section 8.1.7.

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.

ACCOUNTING IMPACT OF THE FISCAL SITUATION OF CERTAIN ENTITIES

In accordance with IAS 12, the capitalization of certain deferred tax assets related to accounting losses may be recorded when the probability of their use in the coming years is deemed to be more probable than improbable, within a relatively short term perspective.

As a result, if such is the case, the recurring non-capitalization of tax loss carry forwards at certain entities could generate higher or equivalent after tax expenses to earnings before taxes in the consolidated financial statements.

DEPENDENCE ON PERSONS IN KEY POSITIONS AND QUALIFIED PERSONNEL

The group's success is in large part dependent upon the ongoing 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 businesses. In order to limit this risk, the group has put in place a personnel policy aimed at retaining, developing and promoting qualified staff (see section 4.4.1 of this document). In addition, it should be noted that 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 June 9, 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 insurance policies for third party liability, property damage and business losses 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 provided under locally-obtained policies.

At the date of signing this report, the amount of third party liability coverage was €50 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 employees as well as environmental damage.

4.
OUR APPROACH TO CORPORATE SOCIAL RESPONSIBILITY (CSR)

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4.1 BE AWARE OF OUR CHALLENGES AND OUR RESPONSIBILITY

Load handling and personnel lifting are at the crossroads of several economic, environmental and societal challenges: demographic growth, urbanization, industrial development in emerging countries, increased pressure on resources, etc. The world population will reach 9 billion inhabitants by 2050 and nearly 70% of this population will live in cities.

In all areas, these developments will be accompanied by requirements for transport infrastructure, housing and access to renewable and non-renewable resources. Construction, agriculture and industries are at the heart of this transformation, and our material handling equipment provides solutions for these requirements, enabling people to carry heavier and heavier loads, enhancing productivity and improving working conditions.

"Handling Your World", our fundamental purpose, expresses the group's adaptability and its commitment concerning the local requirements of worldwide material handling, as well as its ability to fulfill the requirements of the future in an innovative manner.

SUPPORTING THE TRANSFORMATION OF "GLOCAL" MATERIAL HANDLING

The modernization of processes in developed countries, industrialization in developing countries and globalization are generating increasing requirements for material handling. However, these requirements for "mature" countries are different than those for emerging countries. In the "mature" countries, the increasingly demanding requirement is for high-performance solutions, better adapted to patterns of use. In the emerging countries, the requirement is for a mechanical solution to replace the manual physical solution.

We must therefore make sure that our solutions respond to their environments and provide our customers with greater efficiency and performance, and always with more safety. It is this combination that will improve health conditions and reduce hardship at work. Between the basic requirement of handling ever-heavier loads, and the more sophisticated requirements of developing customized attachments, our task remains the same: to support our customers on all terrains with an appropriate material handling solution, providing them with optimal safety and improving their work conditions.

Mobile material handling equipment represents a significant means for improving health and safety at work. Improving the health and comfort of users requires us to constantly open up new markets to be able to provide innovative solutions, whether in a South African coal mine, a building site in Texas or a livestock farm in China.

From a market point of view, the design of versatile machines and attachments adapted to the most exposed sectors, such as mines, the environment, tree nurseries, oil and gas, enable material handling to be performed more safely, to maintain rates of work with optimum comfort for operators, and provide full control of their working environment.

Furthermore, going beyond the normative aspect (e.g. standard EN15000 aiming to prevent a telescopic truck from tilting forward due to the transported load), the control of health and safety raises other important economic and social issues, such as the ergonomics of machines, vibrations and the perception of noise inside and outside the cab. Managing the performance of these topics is important because it enhances the notion of comfort for users of material handling machinery and represents an important means for improving the quality of life at work and health.

From a geographical point of view, the provision of material handling solutions adapted to particular areas of the world, such as India, China or Brazil, where materials are handled in ways that are very different from Western Europe or the U.S.A., is a major issue. 80% of telescopic agricultural machinery is still sold in Europe.

Development of material handling in agriculture

Asia represents 40% of the market for worldwide residential construction but only 5% of sales of telescopic trucks and compact machines, and only 15% of sales of access platforms. The Asian construction market is nevertheless moving towards greater mechanization and greater safety in its operations.

In construction

Lastly, 70% of the trucks sold in Asia have internal combustion engines, which raise issues about air quality improvement in industrial environments.

In industry

Machines that are robust, reliable and easy to use are a direct response to the safety and productivity requirements of such markets.

ADAPTING TO CHANGES IN USAGE PATTERNS IN A WORLD THAT IS MOVING TOWARDS ECONOMY OF FUNCTIONALITY

As in other markets, customer demand is gradually changing from a product-acquisition market to the purchase of an integrated solution, with machines that are increasingly connected, enabling them to save time and focus entirely to their jobs. This transition to a service model means that the life cycle of the machine can be looked at in a new way, as well as the conditions for access to its use.

What is more, in a developing world where natural resources are limited, we must promote more rational use of resources. Faced with urbanization and growing populations, new usage patterns such as the second-hand market (with refurbishment or reconditioning) and renting, are becoming relevant solutions for reducing the consumption of raw materials. These solutions can enable customers who are seeking to control their budgets to fulfill their requirements at a lower cost.

So the sustainable management of the life cycle of the machine (acquisition, use, repair, reuse and end of life) is a challenge for the group, in strengthening the loyalty of its customers and promoting optimal management of resources for the future.

On the acquisition market, more than ever, the list price remains a predominant criterion when choosing a truck. But behind the purchase price of the machine are the indirect costs throughout the life cycle of the product, such as maintenance, fuel or electricity consumption, user training, resale value, etc.

We are well aware that product performance alone no longer makes the difference. The environment is a means for reducing the real cost. Increasing customer awareness and providing solutions that allow them to reduce their environmental and economic footprint are important challenges for the group.

REDUCING CONSUMPTION AND POLLUTING EMISSIONS

There are two issues here. Firstly, reducing consumption is an important challenge because fuel represents a considerable share of the cost of ownership of machines and of our carbon footprint.

The results of our carbon assessment have highlighted the breakdown of the group's greenhouse gas emissions, from the extraction of raw materials until end of life. The emissions related to our production process represent less than 1% of total emissions. 89% of greenhouse gas emissions are related to the use of our products by customers and 10% are generated by our inputs, meaning the raw materials necessary for assembling our products. Raising the customer awareness and supporting them is therefore a fundamental issue for reducing the sector's carbon footprint.

Secondly, it is a regulatory issue. Innovation must take into account many new regulatory standards on the polluting emissions of engines for non-road mobile machinery. Emissions of pollutants from material handling equipment have been reduced drastically over the last ten years (95% reduction for particles and 96% for nitrogen oxide).

In 2015, the machines put on the market will have emission thresholds for particles and nitrogen oxide that are close to 0. This represents work that has enlisted the attention of any teams, both internally and at our engine-manufacturer partners.

RELYING ON AND GROWING THE ECOSYSTEM ESSENTIAL TO SUSTAINABLE DEVELOPMENT

As an assembler, the sustainability of the group requires a stable environment, preventive actions to strengthen the local economic fabric, and innovative participatory approaches.

The Manitou group has deep local roots. By involving local players, our corporate project becomes more relevant because it becomes shared. This territorial coverage, which provides proximity, responsiveness and agility, is an opportunity to work on collaborative innovation and create more powerful partnerships.

Representing 75% of the value of our products, procurement, and therefore suppliers, is at the core of the issues facing the Manitou group. Controlling relationships with suppliers, developing their performance, managing risks associated with our environment and creating value are essential for the group.

The group has deep roots in certain regions, such as the Pays de la Loire in France and the region of Bologna in Italy, relies on industrial partners, most of which are established locally. The strategic importance of the sector in the Pays de la Loire nevertheless involves risks when the sector was hit hard by the economic crisis. The issues of resistance and diversification are therefore crucial in reducing the dependency of the 200 regional subcontractors of the group.

MAKING PROGRESS WITH THE HUMAN FACTOR

Commitment is an essential driver of the performance of employees. It is constructed over time: through the visibility provided to employees, understanding of the corporate mission, coherence between the actions and the culture of the company, relationships with the management, and the adaptability of group policies to cultural specifics.

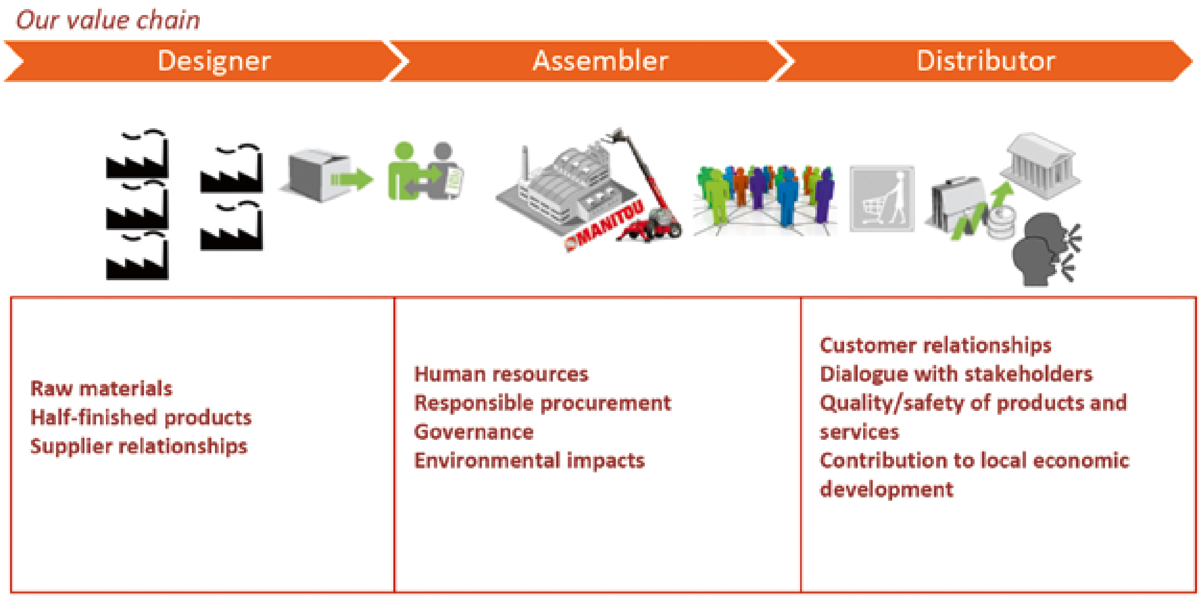
Quality of life at work, the development of the talents of our employees and corporate social responsibility are important issues for recruitment and for increasing the loyalty and commitment of staff.

* Carried out in 2012 using 2011 data
** Source: CISMA

4.2 MANITOU'S RESPONSE TO THESE CHALLENGES

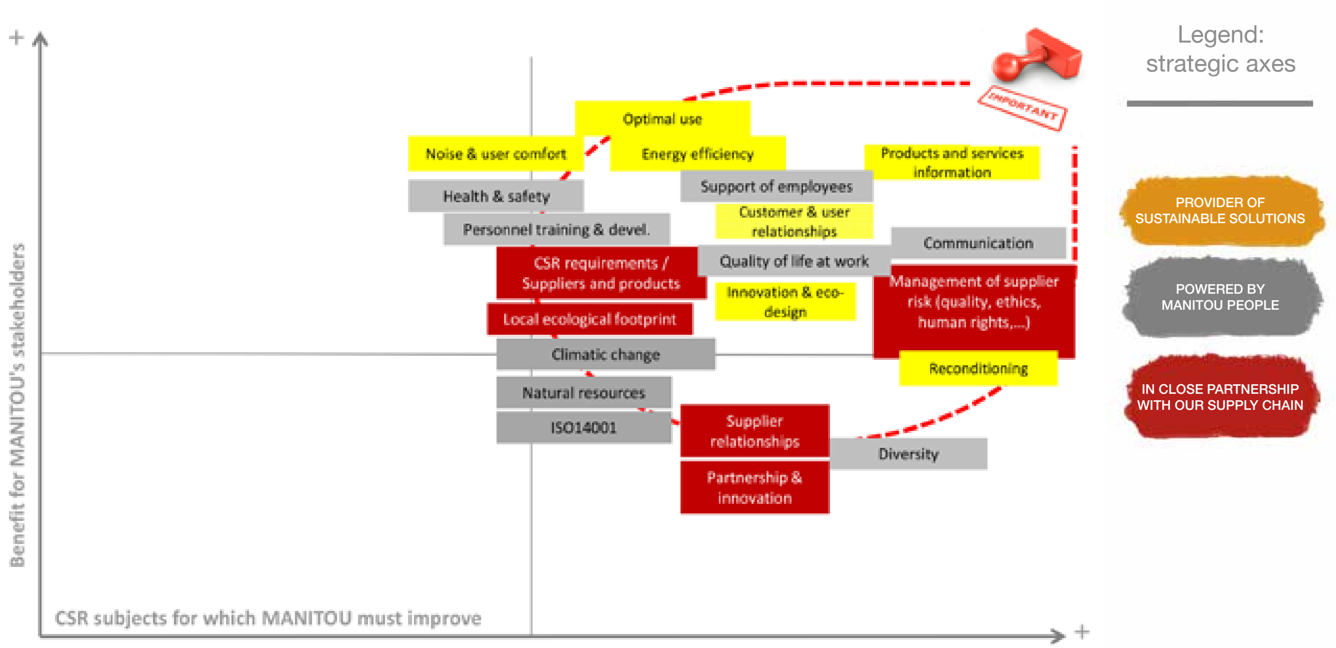
THE METHODOLOGY CHOSEN BY THE GROUP IN 2012: A PROCESS OF LISTENING AND CO-CONSTRUCTION

We are convinced that collaborative work with our stakeholders will improve our performance in matters of sustainable development and help us to strengthen our company model in order to remain one step ahead. The construction of the group's CSR strategy is therefore largely based on putting the perceptions and expectations of our stakeholders into perspective in order to obtain a 360° panorama. Twenty-five stakeholders were questioned: employees, suppliers, dealers, customers, professional associations and local authorities on the following major topics:



The analysis of internal and external expectations, supplemented by a benchmark, has enabled us to identify the issues and put them in order according to their importance for stakeholders and the level of maturity of the group:

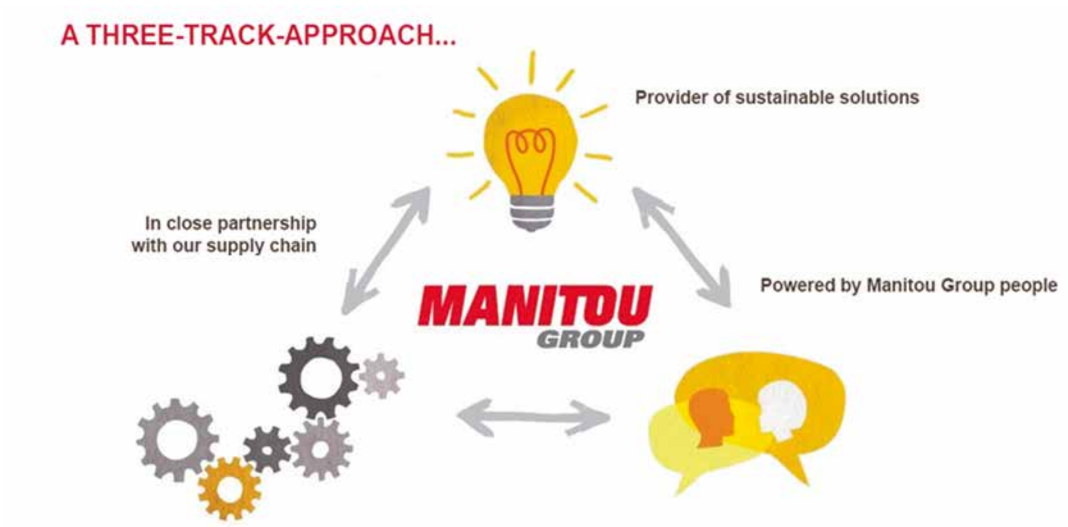
Mapping of CSR issues identified as priorities



CSR AT THE MANITOU GROUP: 3 MAJOR COMMITMENTS TO MEET THE CHALLENGES FACING US

This analysis work has enabled the group to identify 3 major challenges. These commitments aim to reach an integrated CSR model: in the professions, in the processes, and in relationships with our stakeholders.

The 3 pillars of the CSR program



2014 was an important year for the group in terms of reorganization and construction of the 2015-2018 roadmap. There was a major change relating to the creation of a new Services & Solutions Division.

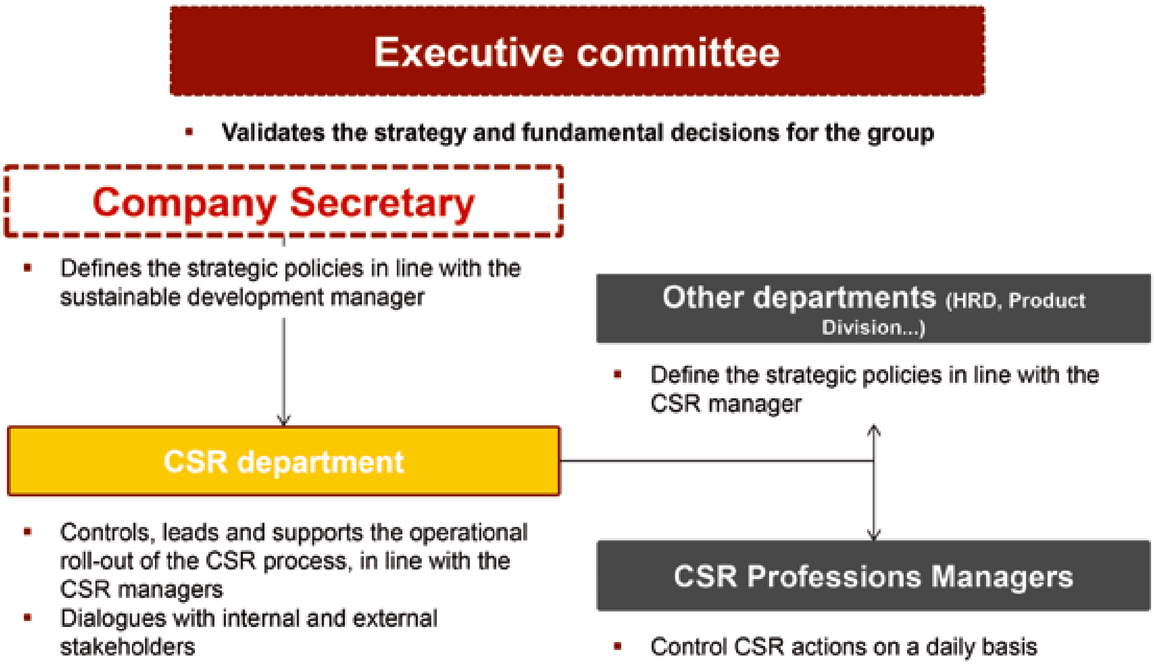
In keeping with the 2012-2015 CSR plan, the General Management reaffirmed its commitment and defined 6 major CSR priorities for the 2015-2018 period. These priorities are fully aligned with the group's roadmap.

CSR has an important role to play in: total cost of use, the range of services, proximity with customers and our employees' pride and will to win.

Our greatest challenge for the future? Being able to assert our commitments boldly and pragmatically, to provide innovative and economical solutions to ensure responsible and sustainable material handling for our customers. Why? CSR is a differentiating factor, which allows us to better anticipate and strengthen the link with our partners and employees. We are intent on supplying our customers with sustainable material handling, building suitable partnerships with our suppliers to enable implementation and engaging all of our employees in this virtuous process.

Governance

In 2012, we chose to create a CSR service. Its task: to organize all actions, initiate new projects and make sustainability a driver of growth and innovation. In this respect, CSR is directly attached to a member of the executive committee:



4.3 SUSTAINABLE SOLUTIONS

The REDUCE program supports users in reducing their environmental impact and the total cost of ownership of their machines. This program meets several objectives:

– Transparency: by disclosing the energy-consumption (L/h) and CO2 emissions (Kg/h) data for its machines, the group is sharing key economic data with its customers that is essential to their purchase decisions.

– Integrity: in a sector that does not yet have a standardized cycle for calculating consumption, the integrity of data is essential. The group has therefore asked a recognized external organization to validate its measurement procedure.

– Support to users: the group undertakes to provide services and solutions with the aim of improving this dual environmental and economic footprint.

– Continuous improvement of machines: with energy efficiency systematically taken into account starting at the design phase and the provision of technological solutions such as eco-mode or Stop&Go.

In this way, the group is positioning itself as the first manufacturer of telescopic trucks to disclose consumption data for its machines, emissions of CO2 and its measurement methodology to its customers, and to have its measurement protocol validated by an external third party.

The REDUCE program received the **Grand Prix Entreprises & Environnement awarded by the ADEME and the Ministry of Ecology, Energy and Sustainable Development,** in the category «Management and initiatives for sustainable development». Awarded by the Minister during the Pollutec trade show, this prize rewards companies that have made noteworthy achievements in the areas of environment, biodiversity and sustainable development, thus participating in the ecological transition.

Also, as part of the **«Inel d'Or»** awarded to recognize innovations, Manitou received a special award from the jury for its REDUCE program during the International Animal Products Exhibition (SPACE). This award from the jury is therefore the recognition, by the profession, of the responsible approach of the group for the design of products and the awareness of end-users.

Finally, this procedure's success was also reflected in the welcome reception it received from the commercial teams, our subsidiaries, and from our network of distributors, as well as in the pride of our employees to see the group take a stand on an issue like that one.

4.3.1 DESIGN WITH A TCO (TOTAL COST OF OWNERSHIP) OBJECTIVE

MEASURING AND INCREASING RELIABILITY

The lack of a standard of measurement for consumption in the profession means disparity exists in the manner of communicating data on consumption, which can eventually lead to users losing their points of reference. We consider that providing the greatest transparency starting from the purchasing phase is essential to provide all of the elements that affect the cost of use.

We have constructed a database on consumption. This database is founded on seven years of experience in consumption tests and observations on the ground and communication with our customers. These tests have allowed us to identify the functioning cycles for our machines and to map the consumption of power according to the use of the products.

We were thus able to construct an internal operating procedure to measure consumption: our measurements are taken on the 4 activities representative of the activity of a telescopic truck, namely material handling, bulk loading, driving and idling. The products of the agricultural range were tested first. The tests were then extended to products of the construction range. Competing products are tested in accordance with the same protocol.

Backed by this experience in testing and measurement, the group sought the intervention of UTAC, an independent professional organization, to audit and validate the appropriateness of our testing procedure and rigor in conducting tests.

The validation of our internal test procedure is a guarantee of legitimacy. UTAC considered this procedure as representative of the use of the machinery concerned and emphasized the reliability of our measurements and the great expertise of the test technicians.

As a leader, the Manitou group must provide its customers with consumption information and must stay one step ahead when it comes to the performance of its products. Backed by this know-how, the group is entirely open to sharing its methodology in order to reach a standardized process for measuring consumption in the material handling sector.

The lack of a standard of measurement for consumption in the profession means disparity exists in the manner of communicating data on consumption, which can eventually lead to users losing their points of reference. We consider that providing the greatest transparency starting from the purchasing phase is essential to provide all of the elements that affect the cost of use.

IMPROVEMENT: REDUCE AT THE CORE OF DESIGN CHOICES

Research and innovation are major drivers of the Manitou group's strategy. The strategic policies of the innovation plan are based on 3 customer benefits: energy, comfort & working efficiency and safety.

The R&D services are equipped with powerful digital simulation tools, which can reduce the number of physical tests and choose the best "technology/consumption" pair, because digital testing allows many more iterations to be carried out. For example, the use of digital simulation has resulted in the design of a cooling system that uses much less energy.

Energy expertise is deployed throughout the development cycle of our machines: from marketing specifications, pre-dimensioning components and the architecture and the choice of components, to finalization and optimization. Working in close partnership with engine suppliers gives us a genuine ability to adapt the engine to our requirements.

Energy efficiency, which has become a genuine area of internal expertise, is taken into account starting at the design phase and is at the core of our various technological choices:

Some examples	**Customer benefits***
Downsizing 	**Power reduction:** E.g. MI ranges of masted trucks (-9% consumption) **Reduction of power at equivalent working speed and rotation speed** E.g. ATJ access platforms 33 to 26 KW
Bi-energy system 	Allows an electric motor to be used for static operations, reserving the internal combustion engine for travel. E.g. MRT 2150 Bi-Energy
Structural weight reduction	**Reduction of the mass of the machine and optimization of the hydraulic circuit** E.g. The 280 TJ access platform with 16,600 kg and only 34 kW provides performance (e.g. translation speed and lifting time) equivalent to competing models with more powerful engines
Choice of components (e.g. engine)	**A high-performance engine to optimize use** E.g. On the MLT 840 telescopic truck: -14% consumption (and up to -20% on loading) between the MLT 840 and the equivalent competing model
Proportional management of engine speeds 	Adaptive management of engine speeds E.g. ATJ and TJ access platforms
Stop & Go	Stop & Go contributes to improving TCO: – Increases the duration of use of the machine – Lengthens periods between maintenance operations – Lowers consumption by 5% – Noise reduction
Eco-mode 	Electronically-managed driving mode, which can reduce consumption during road travel. The electronic regulation of hydrostatic transmission optimizes the engine speed while retaining the travel speed. E.g. MLT 625 telescopic truck: -18% consumption at 25 km/h.
Electronic regulation of the cooling system	Automatic management of the fan speed according to the engine temperature: -4% consumption on average.

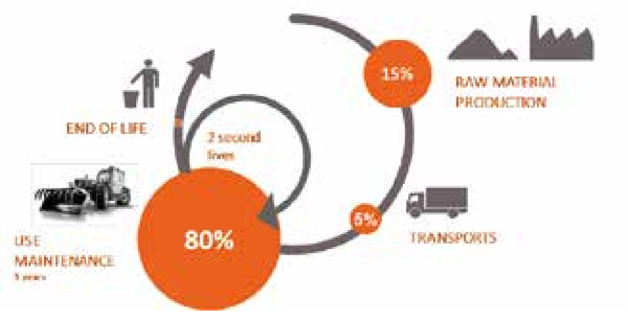
* The savings announced are calculated from characteristics shown on the technical information sheets for products, from our tests or from our internal analyses.

Introduction of eco-design in the design offices

Several products have already benefited from an eco-design approach: structural weight reduction, downsizing, change of materials or components (e.g.: recyclable plastic, use of flexible solid tires made of recyclable rubber with reusable rims on the access platforms). However, all of these best practices do not form part of an integrated approach and are therefore not highly promoted to our customers.

In order to be able to better measure the environmental impact of our design choices, the group carried out the first environmental analysis of one of its products from the agricultural range. The objective was to study the breakdown of the various environmental impacts (climate change, particle emissions, resource exhaustion, etc.) on all stages of the life cycle. 80% of the environmental impact is related to the use of the machine. This first stage allowed us to identify the main contributory items in the machine and identify solutions for optimization. An R&D team was trained in eco-design and equipped in order to carry out this study.

Breakdown of environmental impacts at all stages of the life cycle



2014 in practical terms

The group was the first manufacturer to offer a hydraulic "Stop & Go" system. Its objective: reduce consumption and wear of the motor of its telescopic trucks working in the construction sector. Developed in partnership with one of its suppliers, this 100% hydraulic system automatically shuts off the engine when it is not required and when the hydraulic controls are not activated. Restarting takes one second as soon as the operator accelerates or takes back the controls. Available as an option on 14- to 18-meter MT telescopic trucks on the European market, this solution is useful in professional applications where machines run for a long time while idling. This is particularly the case on building sites, where they function without being used about 30% of the time. In practical terms, the technology not only provides a reduction of about 5% in fuel consumption, but also a reduction of 180 hours per year, based on use of 800 hours per year for an MT 1840 IIIB. Other than the fuel savings, the owner of the equipment sees a significant reduction in the frequency of servicing.

The group has also installed Continuously Variable Transmission. Variable transmission provides linear acceleration without any break in torque. The engine speed and the machine speed are disassociated. So the internal combustion engine can be operated differently, according to usage conditions, aiming for optimum consumption or optimum performance. The new MLT 960 is equipped with a CVT offering an ECO-mode.

Remain a forerunner in the application of standards

To handle the most demanding applications, while complying with the strictest standards on pollution (EPA Final Tier 4), Manitou has chosen to use an engine using SCR/Adblue technology, more suitable for our applications.

This optimum was achieved by reducing the engine cylinder capacity (6.6 L to 5.1 L) while changing from 6 to 4 cylinders. This downsizing, combined with the improvement in overall engine yield, provides a specific reduction in consumption estimated at about 16% based on manufacturer's data, while providing an increase in power of more than 20 hp, for increased service to the customer.

Furthermore, this reduced engine size lets us offer machines that are still just as compact, while including new depollution systems. This engine will be installed on rotative machines (MRT) and large-capacity machines (MHT).

BEYOND THE ENVIRONMENTAL FOOTPRINT: THE INCLUSION OF COMFORT AND SAFETY FROM THE DESIGN STAGE

Acoustic comfort

In 2014, Manitou began a process of improving the acoustic comfort and vibration dampening in the cab, with the aim of significantly reducing the overall levels of noise and vibration, and identifying and eliminating unpleasant noises.

The first major action, which began in 2014, was to improve the skills of R&D in "psycho-acoustics" or "acoustic perception", expertise in vibro-acoustics aiming firstly to determine the unpleasant or pleasant character of a sound (via, for example, measuring loudness, roughness, via jury tests, etc.) and secondly, to determine the level of intelligibility (for example, of speech on the radio, or a telephone conversation in the cab, etc.). This phase began in 2014 via two separate and complementary channels:

– the launch of a task force with a professional association, companies in the agricultural machinery sector and with the intervention of renowned French experts in psycho-acoustic matters.

– the establishment of a partnership with a top-ranking engineering school training in vibro-acoustics expertise. In 2015, this partnership will result in a study of acoustic perception in the cab of a Manitou truck.

The second major action that began in 2014 is the inclusion of restrictions from the design of products that are under development (products for the agricultural market initially, available by 2016-2017). These restrictions relate to the acoustic sealing of the cab and its separation from hydraulic noises.

Ensuring maximum safety

We attach the greatest importance to compliance with all standards in force (noise, visibility, cabs that comply with FOPS standards (structures that protects against falling objects) and ROPS standards (structure that protects against rollover).

We sometimes exceed the strict application of standards when this can optimize productivity while ensuring maximum safety for users. For example, the field of application of the EN15000 standard was restricted to machines that were stopped and does not cover all of the risks of longitudinal tilting of the truck. The decision was therefore made to totally review all risks according to the numerous applications offered by a telescopic truck. This analysis therefore led us to create three different modes of functioning, which provide users of our machines with maximum safety, productivity and comfort, depending on the applications.

Furthermore, the presence sensor placed in the seats, the pressurization of cabs, the load status regulator, etc. are all items of equipment that are available and which we are developing to secure the operations of our customers.

Also, our machines, such as the telescopic trucks MLT840 and MLT/MT625 ST3B have automatic parking brakes, an extra guarantee of safety in working areas.

Ergonomics

Concerning the all-terrain telescopic trucks, the Manitou group assesses levels of ergonomics, general comfort and noise for its ranges (in the cab and outside the cab) and does not hesitate to consult its customers about their expectations.

In order to design more comfortable machines, we implement assessment reports in matters of ergonomics:

– The Manitou group intends to include ergonomic expertise associated with its product development plan, with the aim of optimizing the ergonomics of driving cabins and the general comfort of our trucks.

– The major criteria for this action are to improve the visibility of cabs and the ergonomic comfort of the driving cabin, to facilitate access to driving cabins, to standardize the positions of controls throughout our ranges and lastly, to organize user interfaces according to their frequencies of use, their proximity and the real contexts associated with their use.

– The ergonomics approach is run within the design department, and concentrates in particular on usage patterns and human factors: it is organized around an iterative process of analysis of users' requirements, a creative approach to innovative solutions that meet these requirements, then full-scale tests of these proposals in order to confirm and optimize their developments.

A concrete example is the joystick, designed and developed in the design department in partnership with R&D, which is installed on a large percentage of our trucks. It was developed following an observation: how to reduce the fatigue caused by clenching the hand on this control, which is the control that is most used in the driving cabin, while offering a comfortable and intuitive solution. The solution was to design a shape that fits the palm of the hand, avoiding muscle tension, then to lay out the functions as naturally as possible. This control is currently one of the references of Manitou products.

The Design team also reassessed the cab space, given the growing population of users, including the specifics of the large geographical zones: the column adjustment was thus doubled.

4.3.2 PROXIMITY AND CUSTOMER SOLUTIONS

THE REDUCE PROGRAM: INFORM AND SUPPORT

To inform and support users, the group has set up 3 major tools available to them:

– A web app: an online calculator (http://reduce.manitou.com/) lets anyone test their consumption according to their use and calculate the total cost

associated with consumption. The protocol and a video of the tests are online, in this application.

– Labels for the machines, indicating consumption and associated CO2 emissions (for trade shows and our dealers).

– A pack of 25 recommendations for eco-driving

The group is currently working on the automatic inclusion of this data in the cab. Communicating with end-users and making them aware of the issues obviously involves making our subsidiaries and dealers aware of them as well. The REDUCE program is a very effective means of communication in the group's trade shows, enabling it to relay its messages directly to users.

Thus, in a sector which, a few years ago, still had little awareness of these problems and was very focused on the list price of the machine, the REDUCE program has the merit of raising the topic of the total cost of ownership of the machine (its life cycle). The reduction in consumption made possible thanks to technological and technical developments made to Manitou machines now enables us, through the REDUCE approach, to quantify the savings made over the period of use of a machine.

CONCRETE SOLUTIONS

An eco-driving simulator for optimizing use

The "eco-driver" can simulate driving a truck in line with the advice given by REDUCE. It is an 8- to 10-minute course that covers all of the applications, situations and configurations of the test protocol put in place within the program. This role-playing lets drivers acquire good habits to reduce their consumption, their cost of use and risk of accidents, through safer driving and use.

The aim is to trigger, in real-time, the awareness of users, who simultaneously benefit from the support of an internal Manitou trainer. After the course, a personalized driving report is presented to the user, along with a consumption log.

Training

The group has several centers dedicated to training its customers in the safe use and maintenance of its products. The main training centers are based at Ancenis (France) and in Madison, South Dakota. Local centers are also active in certain distribution subsidiaries.

The support of our network of dealers

The group has introduced a Global Quality Charter for its dealers. This charter was developed to offer our network a genuine tool for progress and development. This score provides a basis for discussion and for evaluating our dealers on commercial and services aspects and on a set of points related to CSR (monitoring skills, training, health and safety, environmental management, etc.). In 2014, this charter was tested with around ten dealers. We plan to roll it out to the French network starting in 2015.

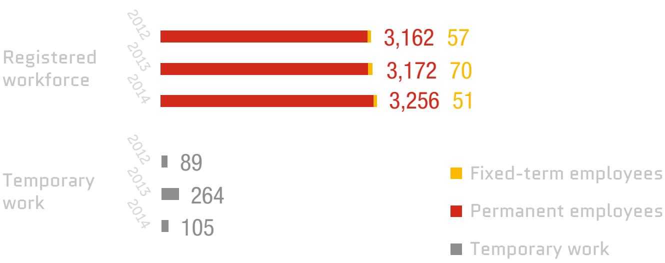
4.4 THE WOMEN AND MEN OF THE MANITOU GROUP

We are making quality of life at work, performance and the development of our employees the mainstays of our ambition. Our leadership in products and services is built for the long term around men and women who are committed and who share the culture of the group. Each country applies this ambition according to its environment and local context, to increase the loyalty of its employees.

KEY DATA

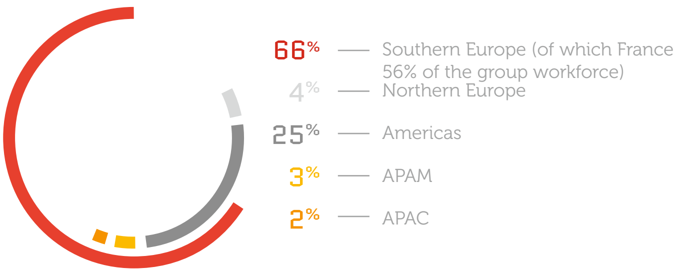
In accordance with the group's strategy, we ensure improved competitiveness through responsible control of our workforce, and we give priority to recruitment on permanent contracts (over 98% of staff of the group).

Development of the workforce over 3 years



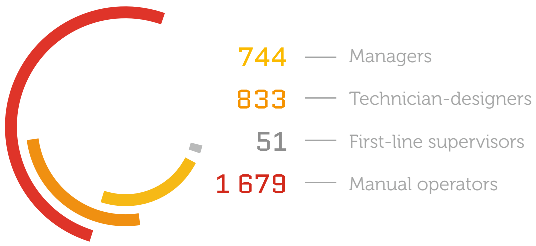
Temporary staff members are used to strengthen the permanent teams of the Manitou group to respond to rapid changes in our production cycles. This responsiveness enables us to satisfy the requirements of our customers. We ensure that our temporary staff agencies comply with local regulations and that our temporary staff members are properly integrated into our teams.

Breakdown of workforce on 12/31/2014 by geographical zone



90% of the workforce is divided within 3 countries: France, the United States and Italy. These three countries host the Manitou group's most important production centers. The breakdown of the workforce between the various geographical zones is representative of the commercial weight of each zone.

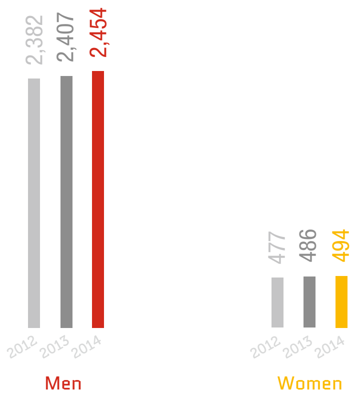
Breakdown of workforce on 12/31/2014 by status



Manual operators, who make up 51% of the group's total workforce, are the largest category, followed by technician-designers at 25% and managers at 22% (including the sales force). This breakdown of the various groups of staff reflects the nature of the Manitou group's business.

The rest of the statistics on 2014 social reporting concerns staff at sites in France, Italy and the United States of America.

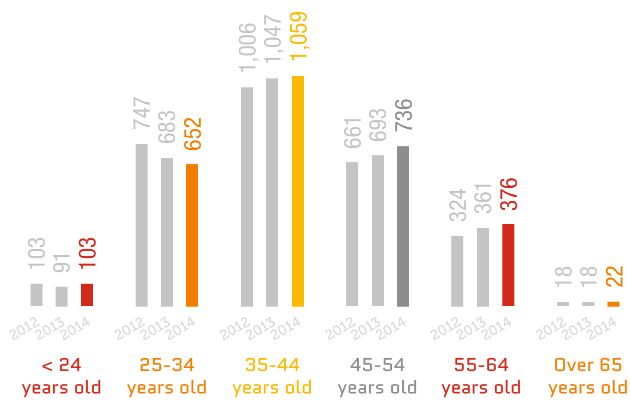
Breakdown of workforce by sex



Given its activity, the Manitou group is characterized by a staff that is almost 85% male, a situation resulting from the large number of manual operators in the workforce. Women are more represented among technicians-operators and managers. The share of women in the managers category represents nearly 25%.

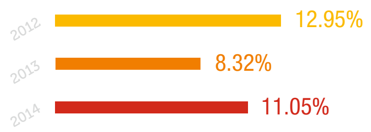
The population of the Manitou group is characterized by the following elements: those under 35 represent 26% of the total workforce, those aged between 35 and 54 represent 60% and those over 55 represent just under 15%.

Breakdown of the workforce by age



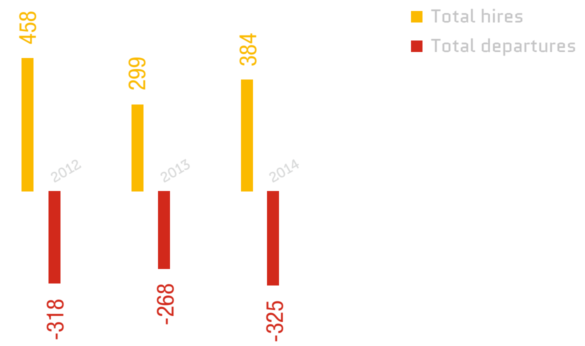
Development of turnover

The overall turnover rate in France, Italy and the United States stood at 11.05% without, however, reaching its 2012 level. Nonetheless, the level of turnover reflects disparities depending on the countries studied, and it is particularly high in the United States due to the full-employment situation for the regions where the Manitou group is established (mainly in South Dakota).

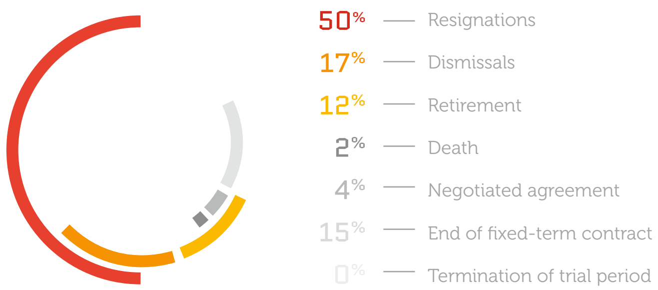


In France, the rate of turnover has been regularly dropping over the last 3 years: 7% in 2012, 3% in 2013 and now 2.6% in 2014.

Hires and departures among the workforce

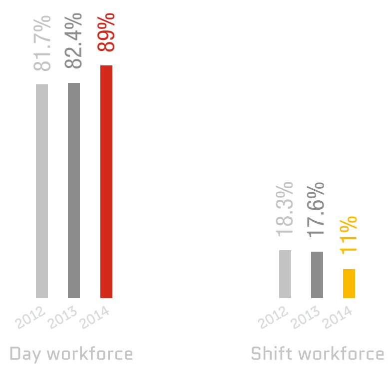


Breakdown of reasons for departure in 2014



The breakdown of reasons for departure is strongly influenced by disparities between the realities of the job market depending on the country. The percentage of resignations (50%) in particular is the result of the vitality of the US employment market.

Breakdown of workforce according to work organization: hours during the day or shift work



Subcontracting (Telescopic Product Unit: sites at Ancenis, Laillé and Beaupréau)

In 2014, subcontracted services related to industrial production operations, particularly joint welding, represented an average of 3.6% of the direct production workforce (including temporary staff) compared to 4% in 2013. This drop is explained by the re-incorporation of some of the joint welding activities.

4.4.1 EMPLOYEE COMMITMENT

We recognize the commitment of our employees as a means for fulfillment in terms of quality of life at work and economic performance, where, as part of a joint process, managers and employees contribute to the vision and strategy of the group. We are convinced that the success of the Manitou group is based upon the mobilization of all teams. Our international presence and family roots allow each of our employees to express their potential and performance and participate in the development of the company.

Also, we intend to maintain a responsible social policy and develop individual and collective abilities in order to be the leader in material handling in our target markets, with employees who are committed to the satisfaction of our customers.

This commitment requires continuous attention in the fields of remuneration, employee recognition, equal opportunities, employee-management dialogue and health and safety.

At the same time, we include our CSR issues in our daily actions. The support and involvement of employees in the group's CSR process is a driver for the adoption of good behavior and good habits on a daily basis, and for including CSR issues related to each profession.

A WEEK TO FOCUS ON CSR

Each year, the sustainable development week, renamed "ecodays", is an occasion for raising awareness, promoting best practices and strengthening the support of employees. In order to provide concrete solutions for action, to encourage responsible behavior and promote discussions, several events and resources are proposed: films, conferences, awareness-raising posters, quizzes, etc.

The 2014 version introduced something new: the ecodays challenge, a competition in which all employees are invited to participate. The objective for each team was to propose a project in line with at least 2 pillars of sustainable development. The best projects would receive prizes at a closing ceremony following the votes of employees and a jury. This challenge should have helped identify and roll-out projects that would have a positive impact, both on sustainable development and in economic terms.

This effort is continuing throughout the year through various awareness-raising actions. For example, in France, an environmental indicator was included in the profit-sharing system in 2014. It concerns printing. The "Origami" project has enabled us to achieve a reduction of nearly 10% in our printing in one year. New arrivals receive a presentation covering the CSR approach and the HSE policy. All of the group's sites were invited to participate in the Earth Hour (one hour for the planet) by switching off non-essential lighting for 1 hour.

OFFER AN ATTRACTIVE AND MOTIVATING COMPENSATION STRUCTURE

We encourage and recognize the contributions of everyone to the performance of the company and the satisfaction of our customers. Promoting commitment involves a compensation policy that is consistent, fair and attractive. The compensation elements that make up our human resources policy take into account market competitiveness and the skills and performance of our employees. This notion of compensation goes well beyond the basic salary. The group's employees benefit from individualized compensation with, depending on the country, variable compensation and profit-sharing systems. In 2014, the payroll expenditure increased by 3.8% compared to 2013, with a total of €116,874,656.

Change to the payroll expenditure in euros

INVOLVE THE BOARD OF DIRECTORS AND THE TOP MANAGEMENT

The work performed in 2014 on reshaping the group's CSR priorities in line with the new roadmap, and the main successes associated with the approach, were presented to the Board of Directors. Then, this new roadmap was shared with the group's top management, so that they could for them to roll out these new priorities to their teams.

PROMOTE AND RECOGNIZE SUCCESS AND INITIATIVES

The recognition of employees by their managers is an essential element in commitment and motivation. Several practices are in place within the group, including:

– The "Spot Awards" at Manitou Americas, a recognition program for employees who have demonstrated great commitment at work. This program rewards the talent and creative energy of employees throughout all American sites. The winners of the prizes must have been recognized by their colleagues as exemplary team members demonstrating creativity and innovation, customer excellence, a positive attitude, commitment to safety, quality, etc.

– Long-service awards in France. Each year, French employees are recognized during the presentation of long-service awards event. This distinction recognizes the seniority, experience and involvement of employees. The presentation of long-service awards is accompanied by a ceremony during which gifts and bonuses are also presented to those receiving the awards.

DEVELOP THE TALENTS OF OUR EMPLOYEES

We are confirming our intention of basing our leadership on the performance of our employees by developing their skills.

The training programs are developed to cope with changes to the requirements of the professions. So we are developing our range of training courses around several topics: Health, safety and the environment, "customer orientation" which must guide all of our internal and external actions to strengthen our commercial leadership, development of innovation, technical professions and production professions, international expansion, etc. We also support our managers with specific training courses. In 2014, 29,206 hours of training were given in France and in Italy. Expenditure on training stood at €2,076,180 representing 2.42% of the payroll expenditure.

The Manitou group is also developing the skills of its employees through long-term training programs. Each year and for a period of 2 years, 4 to 6 employees register for a qualifying process which alternates between theoretical and practical training. The latest classes in this "Professional careers" program trained after-sales service technicians and supply chain technicians.

We also identify and develop our potential through Organization and People Reviews (OPR). This program allows us to identify and discuss the development of organizations and performance and the potential of our employees.

We are committed to facilitating career opportunities internally. Jobs available in the group are communicated on our information systems. Professional presentations were organized in France so that employees could also discover our different professions, and build their professional development within the Manitou group.

International mobility is also recognized as a means of developing talent. 11 employees of the group undertook this experience in 2014, meeting new challenges in new countries through a new culture.

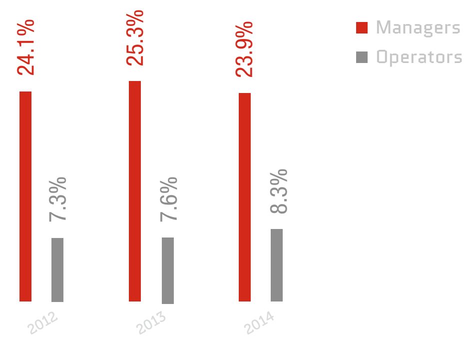
ENSURE AND PROMOTE EQUAL OPPORTUNITIES AT WORK

"Equal opportunities at work" is a fundamental element of our human resources policy. The Manitou group recognizes that women and men determine the conditions for the economic and sustainable success of the company and that they are sources – in their diversity – of wealth, creativity and competitive advantages.

The ambition of the Manitou group is to:

– Ensure equal treatment and non-discrimination
– Ensure equal opportunities
– Facilitate balanced representation of diversity

The share of women in the total workforce for the managers and manual operators categories



The first agreement on professional equality between men and women was signed at the beginning of 2015. The discussions which took place on this occasion were intended to introduce a process for changing mentalities and strengthening a corporate culture that is more open to diversity, as well as to improve our tools and processes to ensure equality of treatment throughout the career and promote gender diversity in all of the professions.

The status report comparing women and men produced on this occasion showed that, in spite of male over-representation in the total workforce due to our industrial activities, equality between women and men is real (e.g., training, compensation and promotion). Among the objectives set following these discussions were the establishment of a Professional Equality Charter, interviews on departure and/or return from family leave and rearranging working hours upon return from various types of leave.

The Manitou group is also committed to employing disabled persons. Thus, in 2014, the percentage of disabled employees continued to increase, reaching 3.21% of our workforce (France and Italy). An in-depth study on the notion of disability in the group was undertaken in 2014 and is carried out by an internal task force representative of the different functions of the company. This process will lead to a detailed diagnostic of the situation of the company, in order to define a strategy and action plan for the forthcoming years.

An ethical charter was also circulated, to set up a frame of reference for conducting our internal and external activities in compliance with legal provisions: human rights charter, fundamental conventions of the International Labor Organization, guidelines of the OECD and the rejection of any form of corruption. In 2015, the group committed to having a clearer and more transparent process in relation to international principles.

MAINTAIN EMPLOYEE/MANAGEMENT DIALOGUE

We are aware of the importance of maintaining high-quality employee/management dialogue with the personnel representatives. In France and in Italy, 11 collective agreements were signed in 2014. Discussions were held during the year on equality between men and women and on setting up telecommuting. These two discussions (which led to the signature of an agreement) reflected a common intention, between management and personnel representatives, to develop their cooperation and quality of life at work.

DEVELOP QUALITY OF LIFE AT WORK

We seek to provide new solutions to the requirements of our employees. This was the reasoning behind the establishment of telecommuting which, while reducing transport time between the home and place of work, and therefore the resulting fatigue and stress, offers employees greater flexibility in the organization of their work. This new practice contributes to improving the work/life balance of our employees.

The Manitou group also allows its employees to choose the best balance between their personal and professional lives by allowing them to choose to work part-time.

Changes to the share of employees working part-time

2012	2013	2014
1.50%	1.70%	2.30%

Scope: total workforce in France, Italy and the United States

SHARE OUR VALUES IN SPORTS

Every year the group's employees are invited to participate individually or in teams in the La Baule triathlon, organized in partnership with the Audencia business School. This event, which took place over two sporting and friendly days, brought together more than a hundred employees of the group from all around Europe.

The employees of Manitou Americas also take part each year in a race organized by the Boys & Girls Clubs association, which works for the personal and professional development of boys and girls in the region. This race, which is open to runners and walkers of all levels, allows employees and their families to come together for this community walk.

4.4.2 HEALTH, SAFETY AND THE ENVIRONMENT: EFFICIENCY & PERFORMANCE

The day-to-day commitment of the 8 production sites and the Spare Parts Logistics Center materialized in 2014 with the adoption of a Health, Safety and Environment (HSE) policy at the group level. Although the HSE action plans remain adapted to the specifics of each of the industrial sites, the task of this policy is to give the group common objectives for progress.

This new HSE policy is defined in 5 topics:

POLICY

HEALTH SAFETY ENVIRONMENT

According to our Corporate Social Responsibility strategy, we affirm through our Health, Safety and Environment policy our commitment to :

- **Respect the regulatory provisions and expectations of our partners** applicable to our activities, products and services.
- **Involve all employees and partners** in our actions to respect and improve the working and environmental conditions.
- **Increase the safety of our employees and our clients** through effective prevention, training and ergonomic actions on workstation and product.
- **Control and reduce our environmental impact** (Energy, Air, Water, Waste,...) of our plants and products thanks to the ISO14001 Environmental Management and the REDUCE program.

RED

In order to continuously improve our Health, Safety & Environment performances.

« I am personally committed to, and requires each employee and all stakeholders, a personal involvement in the respect of this policy so that MANITOU makes progress in taking into account and managing health, safety and environmental risks. »

F. MIRA M. DEROCH G. RABEL-SUQUET

MANITOU GROUP

– Compliance with our legal obligations and the expectations of our stakeholders (e.g.: town halls, etc.)

– Involving concerned parties (employees, suppliers, external companies and our customers),

– Increasing security and preserving health,

– Reducing our consumption and preserving the environment and reducing the impact of our factories and our products,

– Continuous improvement.

In 2014 the work of harmonizing Quality, Safety and Environment systems resulted in the designation of a QSE System manager and the creation of a Health, Safety and Environment (HSE) Division.

HEALTH AND SAFETY

Safety is the primary objective of the management and employees of the group. We make the safety and security of our employees one of our priority actions. Thus, 1,172 French and Italian employees took part in safety trained during 2014 (representing 55% of the workforce, compared to 50% in 2013) and 3 collective agreements were signed in this field (telecommuting in France, analysis of work-related accidents and results of medical examinations in Italy).

	2012*	2013*	2014
Frequency rate			
Salaried employees	24.4	17.7	15.3
Temporary staff	70.21	50.78	46.5
Severity rates			
Salaried employees	0.4	0.3	0.35
Temporary staff	0.8	0.6	0.36
Number of work-related illnesses declared (salaried employees)**	**14**	**12**	**16**

* The 2012 and 2013 historical data is for outside the United States of Americas

** outside the United States of Americas

We are reaffirming our intention to reduce the frequency and gravity of work-related accidents in 2015. Actions are implemented to continuously improve conditions of health and safety on the production sites. Safety audits are carried out by the Prevention and Safety Service and are followed by action plans to improve working conditions: installation of new equipment, improvement of individual protection, improvement of the ergonomics of work stations, and a task force on hardship. Also, and as part of a process of continuous improvement, operators participate in the identification of risks and regular updates take place between managers and their teams.

The rate of absenteeism is also monitored regularly, particularly as related to illnesses, in which working conditions play an important role. This stabilized in France, from 3.10% in 2013 to 2.99% in 2014.

The prevention of psycho-social risks is something we are committed to and which is implemented by the group through training courses for all players: employees, managers, human resources team, etc. 78 persons were trained in France in 2014, and 85% of managers have now been trained.

REDUCE OUR CONSUMPTION AND PRESERVE THE ENVIRONMENT

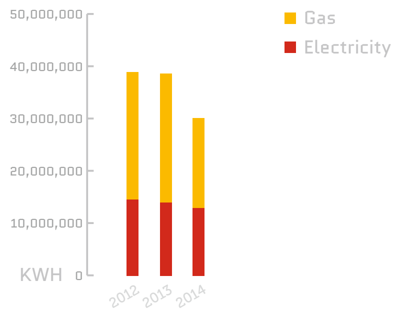
Topic	Indicator	Unit	Indicator 2014	Indicator 2013	Indicator 2012
Environmental management system for production sites	Proportion of sites certified ISO 14001 or having applied for it	Percentage of turnover generated	**57.0%**	58.9%	60.7%
Prevention, reduction or remediation of waste	Compliance of aqueous industrial waste	%	**91.8%**	89.8%	100.0%
Prevention, reduction or remediation of waste	Industrial waste per MLT 735 equivalent truck	Kg / truck	**265.3**	245.3	249.9
Il forms of pollution taken into account	Emissions of VOC per MLT 735 equivalent truck produced	g VOC / truck	**4,673.9**	5,707.7	4,825.0
Water consumption	Volume of industrial water used in the process per MLT 735 equivalent truck	L/truck	**2,026.6**	2,829.6	2,279.9
Consumption of raw materials	Paint consumption per MLT 735 equivalent truck	g/truck	**9,750.7**	10,686.9	11,699.4
	Oil consumption per MLT 735 equivalent truck	Kg/truck	**109.0**	110.2	124.9
Energy consumption	Energy consumption per MLT 735 equivalent truck	kWh/truck	**2,436.0**	3,257.3	3,116.6
Greenhouse gas emissions	Greenhouse gas emissions from production site per MLT 735 equivalent truck	kg eq CO2/truck	**440.1**	703.4	645.4

In order to continue training employees in controlling environmental risks and impact, a second internal trainer was recruited. He is in charge of training courses on chemical risk, explosive atmospheres and the use of depollution kits. We are also continuing the training courses on handling cooling fluids.

The staff can suggest ideas or projects via continuous improvement sheets. For example, this year, one employee suggested sorting plastic caps in the assembly workshops and giving them to the “bouchons d’amour” association to be treated, washed, shredded, melted then molded into plastic pallets. The profits are then distributed to associations for the disabled, for buying wheelchairs, orthopedic shoes, crutches, or training courses for disabled persons.

Priority given to energy and the reduction of greenhouse gases

Energy consumption per source



Energy is a priority in our actions to reduce environmental impact, and particularly our Greenhouse Gas Audit. Our actions include:

– energy control management: at the end of 2014, the site at Ancenis began a European program on energy reduction. This involves support from the International Chamber of Commerce of the Pays de la Loire Region in reaching the objective of a 15% reduction in our energy consumption over 2 years.

– studies on identifying avenues for improvement: an energy audit was carried out on the main site at Ancenis and on the site at Laillé, also leading to rapid actions to reduce energy consumption.

– work on energy savings: in 2014, the OEM site began several work programs to repair roofs, insulate walls and change workshop lighting with a luminosity detector; these have reduced the energy bill by more than 50%.

– control of energy consumption during non-production periods.

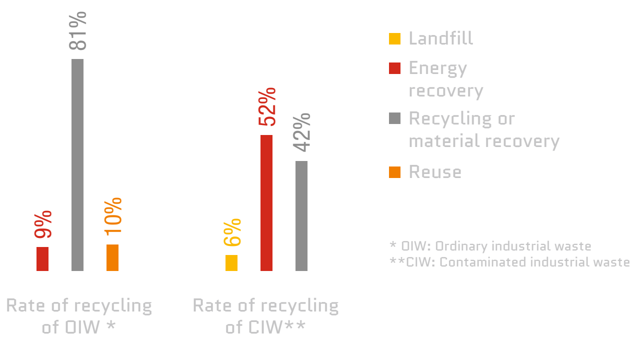
And lastly,

– optimization of energy supply contracts to contribute to a reduction in energy costs.

Solar panels heat the water in our spare parts logistics center.

Waste management

Treatment of industrial waste



The volume of industrial waste has increased but we have undertaken actions to improve the recycling of plastics through additional sorting of polystyrene, Doufline and plastic caps. Compactors have been installed on various sites to limit turnaround in waste containers.

On the site at Laillé, the teams have implemented a sustainable alternative solution to polyethylene packaging for components. Other than its beneficial impact on the quantity of waste, the use of reusable geotextile led to improvements in the quality of products received by reducing faults due to impact during transport.

The management of raw materials and Volatile Organic Compounds

Volatile Organic Compounds released into the atmosphere are due to the application of paint. Several actions to reduce these emissions are being studied, such as changing the color of the primer to a lighter shade; this can avoid applying an additional coat of finish paint (solvent-based paint).

Water management

In 2014, total water consumption in France stood at 20,238 m³ (-6% compared to 2013). On the Aubinière site, we have begun work to store water during the cleaning phases for the paint booths, to limit consumption of water and the release of aqueous effluents. We estimate the savings from this action at about 100 m³ of water per year.

Our investments

Numerous investments have been made on all sites in order to reduce our impact on the environment. For example:

– on the Aubinière site: securing the site, creating a new storage zone for truck fluids with buried tanks and the entire alert and stock-management system, installing additional gas consumption meters that provide a better understanding of our energy uses.

– the Laillé site: two new installations for applying and curing paint that include the best technologies for capturing VOC emissions; as they are better dimensioned, they optimize the curing volume.

– the CLPR site: the site has begun tests on LED lighting in the warehouse.

Since 2013, the company has purchased a specific "harm to the environment" insurance policy intended to cover cases of environmental harm due to its activities (France and Italy).

Use of land and protection of diversity

The Manitou group belongs to an industry with low-intensity use of land. However, in order to minimize its impact on land, responses to emergency situations have been put in place. For example, depollution kits are available in case of spillage of liquid chemical products, as well as plugs for rainwater outlets. The site also has a storm basin with closure valves, retention tanks and leak-proof unloading and storage areas.

The topic of biodiversity is addressed during the construction of new buildings (presence of vegetation, frogs and toads, etc.). In particular, when constructing the storm basin on the site, a ladder for frogs and toads was put in place to allow them to live in their environment. Also, plants and shrubs were planted along the new test track.

4.5 PARTNERSHIPS

The group attaches particular importance to the dialogue that it maintains with its dealers, suppliers and employees. The CSR approach is based on the creation of values shared with all of these key players.

4.5.1. RESPONSIBLE PROCUREMENT

The group uses a procurement policy that is consistent with its values, which aims to create a sustainable, balanced relationship with its suppliers, creating value for all stakeholders. Emphasis has been placed on the following areas:

– sustainable and responsible performance: the work done in 2014 led to the repetition of the good results in 2013. 80% of suppliers assessed (by purchase volume) achieved the required level of performance in 2014. The group wishes to maintain this level going forward, to secure its procurement.

– Risk management: beyond managing raw-materials risks, which, among other things, led to the steel purchase contract from its subcontractors in 2014, Manitou has implemented a financial analysis of its range of suppliers for its European entities.

– Productivity: to support the search for productivity, Manitou has implemented productivity projects that are jointly led with volunteer SMEs. The results obtained were shared and the process brought together the operational teams, making them proud of what they had achieved.

Beyond these few examples, actions will continue in 2015 and in the years to come to improve productivity while preserving the fundamental values of the group.

After having incorporated CSR criteria into calls for tenders, in 2014, the group adopted a new charter on responsible procurement. This charter details the commitments expected from suppliers on three of the group's major commitments: sustainable solutions, men and women, and partnerships. In 2014, it was circulated to a representative range of the group's suppliers, for discussions with them on feasibility and potential obstacles, and to adjust the charter according to these discussions before circulating it more widely.

A suppliers' extranet was also put in place. This can circulate significant progress in the group's CSR process to suppliers and provide and collect information related to REACH regulations on chemical substances.

4.5.2. LOCAL ECONOMIC FOOTPRINT & SPONSORSHIP

TERRITORIAL AND ECONOMIC IMPACT OF A RESOURCE-SHARING APPROACH

Since 2012, Manitou group has been a member of an Innovation and Research Platform aiming to share heavy test resources and expertise with other players in the agricultural machinery and off-road sector. This test center will provide the group with properly adapted resources, which are almost unique in Europe, near to the design offices of its French sites.

GRADUALLY BRING OUR PARTNERSHIPS INTO LINE WITH OUR COMMITMENTS

In choosing its partnerships, the group has several objectives. Backed by its strong local roots, local partnerships are obviously preferred, as is the involvement of its nearby partners. In line with our CSR commitments, social and environmental aspects that make sense for local teams are also deliberately integrated into their actions carried out through the group:

Bentley's MBA students and Manitou: a partnership contributing to the training of responsible managers

As part of a partnership between Manitou, Audencia (management school) and the University of Bentley (US), we assigned a practical case on CSR to 30 American students.

The students carried out an educational program covering the roll-out of the Manitou group's REDUCE program. This innovation, which was welcomed by the specialized press and the Ministry of Sustainable Development, among others, demonstrates the connection between sustainable development and economic opportunities.

Strong commitment for the new generation of welders

Manitou Americas is working in partnership with Madison high school on a technical education program intended to train future welders. This welding program is subsidized by the state of South Dakota with the aim of retaining workers at a time when the turnover of welders is very high. This partnership provides significant help to students registered with the program, both from a financial point of view and in terms of career development.

Promoting higher education: the Gehl Foundation


strive for BRIGHTER HORIZONS

MANITOU GROUP

GEHL FOUNDATION SCHOLARSHIP PROGRAM

For High School Seniors

WHO IS ELIGIBLE:

Children of Manitou Americas employees who have been employed full time by the Company for at least one year as of January 1, 2014 are eligible to apply. Eligible students must have a High School cumulative Grade Point Average of 3.25 or better on a 4.0 scale and must plan to enroll at the beginning of the next school year in an accredited college.

AWARDS:

Two $20,000 academic scholarships will be awarded on the basis of merit. $5,000 will be given to the student each year he/she is enrolled in and completes a full-time academic program at an accredited college or university up to a maximum of four years. Awards will be granted through the completion of each student's four-year undergraduate degree. In addition, ALL STUDENTS that meet the minimum application criteria that are not selected for the scholarship will receive an award of $1,000!

PAYMENT GUIDELINES:

Initial payment and renewal of these scholarships is contingent upon satisfactory collegiate performance and continuous enrollment in a full-time program and parents' continuous employment with Manitou Americas. Students failing to achieve a 3.0 GPA and/or maintain full-time enrollment during any semester of the scholarship period will not be awarded the funds for the current semester and will be put on probation without award eligibility for the following semester. During this probationary period the student must raise their GPA and enrollment status to the required level in order to become eligible. If the student achieves the required 3.0 GPA in the probationary semester, the student returns to eligibility for future semesters contingent on future performance. Failure to achieve the required GPA and/or full-time enrollment during the probationary period will result in forfeiture of the scholarship for all future periods.

SELECTION:

Selection of scholarship winners will be made by an Awards Committee consisting of one or more independent outside academic professionals. Awards will be based on merit, including secondary school academic records, extracurricular activities both inside and outside of school and qualities of character, leadership and motivation. Quality of application materials presented by applicants and information provided by school personnel also will be considered.

No preference will be given to students because of the parent's position or length of service with the company. Children of Company officers are not eligible to apply.

ALL INFORMATION RECEIVED IS KEPT CONFIDENTIAL.

DEADLINE:

All application materials must be filed with Manitou Americas Human Resources department by April 30, 2014. Absolutely no applications will be accepted after that date.

This scholarship program is provided by the Gehl Foundation. For an application form, please visit Connect.

GEHL MANITOU MUSTANG EDGE

Founded in 1964, the Gehl Foundation grants scholarships to promote higher education, the spirit of initiative and the commitment of students.

The children of employees of Manitou Americas who have graduated from secondary school can participate in a program that grants scholarships for as much as $20,000.

Eco-responsible sponsoring

As part of the Solar Decathlon operation, an international university competition in the field of sustainable architecture and solar energy, the Manitou group has sponsored the Nantes team in the Atlantic Challenge in its "Philéas" project, by lending a telescopic truck for assembling and disassembling their project. The Philéas project aims to renovate an old building in Nantes.

Local commitments shared with our customers and our suppliers

As part of Manitou UK's 40th birthday celebrations, the subsidiary, which has 40 employees, collected £16,000 for the "Marie Curie Cancer Care" foundation. The funds were collected through numerous events organized by the subsidiary, its dealers, its customers and its suppliers. In 2014, the subsidiary continued its commitment to local charitable works thanks to the support of its partners.

In France, the sales department chose to integrate actions of a humanitarian nature into its sales challenges. In 2014, sales staff from its French network traveled to Brazil and took part in an activity in partnership with the association IPREDE (family aid association) with 300 children from underprivileged families.

A social partnership with a regional aspect

In 2012, in France, Manitou and ELI set up a partnership aiming to promote a regional process in the context of employment. Manitou provided equipment to a regional social player, ELI. ELI is working to develop an eco-construction activity. Setting up this activity required putting a logistical center in place for receiving raw materials and storing them. Manitou equipment was also came in handy in the logistics of ELI's Déco'stumes sector, which performs subcontracting work for big names in dressmaking. The arrival of Manitou equipment made the association's activities more efficient but, above all, it provided skills development for employees gaining job experience, and particularly the development of jobs in logistics.

The involvement of employees in sponsorship actions

Manitou Americas is increasing the number of initiatives of social value, allowing employees to get involved in:

– Adopt a highway: proposes that employees make their personal contribution to a cleaner environment by collecting waste on a section of road.

– Gingerbread House partnership: makes it possible for employees to donate materials at Christmas to three families in the region.

Habitat for Humanity®

– Habitat for Humanity: employees of Manitou Americas give their time on several Saturdays to participate in house construction projects on behalf of this NGO, which is working to provide access to housing. The company has made a donation of two machines and is also offering other equipment and attachments for the period of the construction projects.

4.6 METHODOLOGICAL NOTE: EXTRA-FINANCIAL INDICATORS

INTRODUCTION

In 2012, the Manitou group organized a Corporate Social Responsibility strategy. In keeping with the 2012-2015 CSR plan, the General Management reaffirmed its commitment and defined 6 major CSR priorities for the 2015-2018 period. These priorities are fully aligned with the group's roadmap.

Beyond regulatory compliance with article 225 of the Grenelle 2 law, setting up an annual extra-financial reporting system within the Manitou group meets several objectives:

– controlling the social, environmental and societal performance of the group in relation to the action plan and,

– communicating transparently on the major CSR issues of the group.

In this respect, Manitou is following the example of the Global Reporting Initiative guidelines.

CHOICE OF INDICATORS

The initial objective was to respond to all 42 topics of article 225 of the Grenelle 2 law as comprehensively as possible, taking into account the group's action plans.

While continuing to publish information on the 42 topics of article 225 of the Grenelle 2 law, the group wishes to develop certain indicators in 2014 and 2015 to be more relevant in relation to its CSR issues and its action plan.

SCOPE

Since the first reporting exercise in 2012, the group has set up reporting procedures and an organization adapted for collecting information to be published. Nevertheless, making the collection of information reliable at the scale of a multinational must be done gradually, to be sure that the communicated data is reliable. So the scope of the information, initially restricted to France, has gradually been extended. The Manitou group is continuing this process and is making use of all resources to ensure that the scope is comprehensive. We therefore undertake to extend the scope each year in order to reach the scope of the Manitou group as soon as possible and we will justify any exclusions. The 2014 developments concerned:

For the environmental indicators: an enlargement of the French scope (Manitou BF), including 5 of the group's 8 production sites (including the group's largest industrial site) and the logistics center for spare parts. In 2014, this scope concerned 56% of the workforce. The year 2013 concerned 3 French sites. The scope for each indicator is specified on page 57.

For the social indicators: the inclusion of the subsidiary Manitou Americas. In 2014, the scope therefore concerned 90% of the workforce (67.5% in 2013), with Manitou BF (France), Manitou Italia and Manitou Americas. The indicators relative to the workforces and their distributions by type of contract, status and geographical zone are communicated for the scope of the group. The scope for each indicator is specified on page 58.

For the societal information: integration of the subsidiary Manitou Americas.

PROCEDURE

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

– a methodological guide, for clarifying the organization of the reporting (role and task) and for standardizing procedures and definitions,

– two data collection tables per topic (environment and social), which automatically display inconsistencies or input errors,

– an internal control table for monitoring the validation procedure.

Each of these indicators is monitored twice a year or annually and is reported by those responsible for each topic in one of three collection tools. The coherence (scope and definition of the indicator) is checked by the topic managers, who receive the data. Lastly, an internal inspector, independent of the procedure, is appointed to validate or challenge the indicators, by comparing them with the action plans carried out during the year or with source data.

In order to meet its regulatory obligations required by article 225 of the Grenelle 2 law and its implementing order dated 24 April 2012, the Manitou group has designated KPMG S.A. to certify the presence and integrity of the social, environmental and societal information published in its management report.

DETAILS

Environmental indicators

"MLT735 equivalent truck": as the site produces trucks of very different sizes and also masts, a conversion factor was assigned to each product according to the weight of a reference truck. The reference truck corresponds to the MLT 735 of the agricultural range, the weight of which is 7.1 tons. This better accounts for the diversity of products in returning indicators related to waste, energy consumption, water consumption, paint consumption, Volatile Organic Compounds emissions, greenhouse gas emissions and oil consumed by the truck (in equivalent).

The oils in question are all of the oils purchased during the year and distributed in the products (hydraulic oil, axle oil and gearbox oil).

A compliant measurement for aqueous industrial waste is one that is below the limit waste value imposed by the regulations applicable to the production site. The sites concerned by the waste are those that have a waste-water treatment plant (Ancenis, Laillé).

The European waste classification is used to define which categories the wastes belongs to: Contaminated Industrial Waste, Common Industrial Waste and recyclable Common Industrial Waste.

End of life of waste

– Material recovery or recycling: reprocessing of materials or substances contained in the waste through a production process in such a way that they give rise to, or are incorporated into, new products, materials or substances. This includes reprocessing of organic matter, but does not include energy recovery.

– Reuse: direct use of waste, without carrying out any conversion process. For example, pallets can be reused.

– Energy recovery: use of an energy source resulting from processing waste.

– Burial: disposal to landfill or underground storage.

Emissions of Volatile Organic Compounds (VOC)

– the emissions are evaluated by calculating a material balance, bearing in mind that everything that is not recovered, released into water or present in the waste/stored products, is released into the atmosphere.

– the following solvent content coefficients were used for assessing VOC emissions from paints and solvents:

	Solvantation coefficient
Paint in the aqueous phase	0.09
Polyurethane	0.52
Glycerophthalic	0.65
Cleaning thinner, solvent	1

The total consumption distributed by the water network is calculated from the water bills.

The consumption of industrial water corresponds to the industrial water which is used in the manufacturing process. It is calculated from water meter readings.

The consumption of paint is evaluated based on quantities used during the year (quantities purchased – variation in stock).

The consumption of energy considered is the purchased consumption of electricity and gas.

The emissions of greenhouse gases from the production sites take into account direct emissions (fixed sources, mobile sources and fugitive emissions) and indirect emissions related to electricity. The sources of greenhouse gases are those defined by article 75 of the Grenelle II law.

Social indicators

Employees: staff bound by an employment contract with Manitou or one of its companies – excluding non-consolidated companies. These are temporary and permanent contracts (including International in-Company Voluntary Service) who were present on 12.31.2014, whether they are full- or part-time. Professional training or apprenticeship contracts and persons on sabbatical, maternity or sickness leave are counted in the workforce. Trainees are not counted as employees. Those expatriated and those on sent on temporary assignment are counted in the host country.

Group workforce: employees (described above) and temporary staff employed by Manitou throughout the world.

Workforce France: employees of Manitou BF or CFM.

Workforce in Italy: employees of Manitou Italia.

Workforce USA: employees of Manitou Americas.

Turnover: the turnover of permanent employees is calculated as the sum of the rate of permanent hires and the rate of departure of permanent employees, divided by 2. Where the rate of permanent hires is equal to the sum of permanent hires from the beginning of the year (job creation, replacements, etc.) divided by the permanent workforce on 31 December. And where the rate of departures of permanent employees is equal to the sum of departures since the beginning of the year (dismissals, resignations, retirement, death, etc.) divided by the permanent workforce on 31 December. Those expatriated and on temporary assignment are counted.

Manager: individuals employed in a position that has been evaluated with the Global Grading System tool (Towers Watson methodology) and is graded 8 or more. These individuals can be or not in a managing role. They are usually exempt/salary paid.

USA manager: any employee having an ICT (Incentive Compensation Tool).

Technician-designers (ETD): individuals employed in non-executive positions and who are not in a graded position. They can be exempt/salary paid or non-exempt/hourly wages.

First-line supervisors (AMA): first-line production supervisors (production middle management).

Operator: manual laborers or other employees working in manufacturing. They are non-exempt/hourly wages.

Hire: any conclusion of an employment contract, whether it is permanent or temporary, in the year in question. A hire is not counted when a temporary contract is renewed for the same reason. Two hires are counted when two temporary contracts are sequenced after a waiting period, when the reason for the contract changes, or when a temporary worker is then hired on a permanent contract. Internal transfers are not considered as hires. Expatriation and temporary assignment of employees are not considered as hires.

Full Time: any person in the company having a contract that complies with the conventional work week in the country for those not on fixed-hours packages (35 hours in France) or the number of days defined by the timetable of theoretical hours, obtained in annual negotiation for those on fixed-hours packages. Anyone not fulfilling these conditions is considered as a part-time employee.

Absenteeism for illness: sick leave in question is that validated by the reference organization in the country (CPAM in France). Hours of leave related to a work-related accident are not counted as hours of sick leave. The number of theoretical hours worked corresponds to the number of hours actually worked (read from the payslip) to which are added the number of days of sick leave multiplied by the number of hours worked per day. The period used for this indicator is from the 20th to the 20th of each month. Absenteeism due to illness concerns only Manitou BF (France).

Statement of collective agreements signed: the collective agreements in question are only those concluded within the company. Agreements negotiated at the level of the sector, branch or country are excluded.

Work-related accidents: travel accidents are counted as work-related accidents. The frequency rate is the number of accidents with cessation of work * 1,000,000 / number of hours actually worked. The rate of severity is the number of days of cessation of work * 1,000 / number of hours actually worked. We count separate work-related illnesses: when the same employee has two separate work-related illnesses, we count two illnesses.

Training: the volume of hours of training between 01.01 and 12.31 of each year is taken into account for employees (permanent and temporary), whether the training is given internally or externally, and whether the trainer is approved or not. The individual training entitlement is included in the hours of training. Only training courses with a presence sheet or attestation of presence are taken into account for this indicator. The actual hours of training are counted. Training courses over two years are counted in proportion to the hours carried out each year. Training in health and safety covers, for example, Certificate of Fitness for Safe Driving, transport of dangerous materials, ATEX, etc. It includes internal training courses.

Training costs: the costs of training concern the costs of salaries for the persons trained, the training expenses, the potential costs of material/organization, the costs of transport and logistics, the costs of the salaries of internal trainers and obligatory contributions (e.g. OPCAIM, Fongecif), with subsidies deducted.

A person is considered as disabled when they are recognized by an organization or institution under the conditions set by the regulations in application.

CONTINUOUS IMPROVEMENT

In order to gradually include all subsidiaries, all of the procedures and tools for collection have been translated into English. Lastly, from a point of view of overall management of the CSR process, indicators may be improved to better take into account the progress of action plans and better reflect the reality within the group on the various topics.

ENVIRONMENTAL INDICATORS

	Grenelle 2	GRI Reference Version 4	Collection period	Scope
GENERAL POLICY				
Organization	p 40, 50		Annual	group
Training/information actions	p 51		Annual	group
Environmental management system for production sites *Indicator: Proportion of turnover generated by sites certified ISO 14001*	p 51		Annual	group
Amounts of provisions and guarantees for environmental risks	p 52		Annual	group
POLLUTION AND WASTE MANAGEMENT				
Measures for the prevention, reduction or remediation waste *Indicators: Rates of compliance of aqueous industrial waste*	p 51	EN22	Monthly	Manitou BF
Measures for prevention, recycling and disposal of waste *Indicators: Quantities of industrial waste generated per equivalent MLT 735 truck produced, rates of recycling per type of industrial waste (ordinary industrial waste and contaminated industrial waste) and per end of life (reuse, material recovery, energy recovery, landfill)*	p 51-52	EN23	Quarterly (annual for recycling rates)	Manitou BF
All forms of pollution taken into account *Indicator: Emissions of VOC per MLT 735 equivalent truck produced*	P 51	EN21	Annual	Manitou BF
SUSTAINABLE USE OF RESOURCES				
Energy consumption and measures taken to improve energy efficiency and emissions into the atmosphere	p 42-46 p 51-52	EN3 EN26	Annual	Manitou BF
Consumption of water and supply according to local restrictions We are not subject to local restrictions in matters of supply *Indicators: Total water consumption* *Consumption of water for industrial use per MLT 735 equivalent truck produced*	p 51-52	EN8	Annual	Manitou BF Ancenis, Candé
Consumption of raw materials and measures taken to improve their efficient use *Indicators: Proportion of paint used by type (powder, water soluble polyurethane), volume of paint used per MLT 735 equivalent truck produced, oil consumed per MLT 735 equivalent truck produced*	p 51	EN1	Annual	Manitou BF
Energy consumption *Indicators: Breakdown of direct consumption by source of primary energy (electricity, gas), consumption of energy per MLT 735 equivalent truck produced* *Incidentally, the group does not use renewable energy.*	p 51-52	EN3	Monthly	Manitou BF
Use of land: The Manitou group belongs to an industry with low-intensity use of land. When assessing priority CSR issues, this topic was not identified as priority with regard to our activity.				
CLIMATIC CHANGE				
Greenhouse gas emissions *Indicators: Emissions of greenhouse gases from the production site per MLT 735 equivalent truck produced*	p 51	EN15	Annual	Manitou BF
Adaptation to the consequences of climatic change: we have not identified major risks related to floods or other risks generated by climatic change concerning our activity and the scope in question. When assessing priority CSR issues, this topic was not identified as priority with regard to our activity.				
PROTECTION OF BIODIVERSITY				
Measures taken to preserve or develop biodiversity	p 52	EN12 EN13	Annual	Manitou BF

LEGEND:

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

SOCIAL INDICATORS

	Grenelle 2	GRI Reference Version 4	Collection period	Scope
EMPLOYMENT				
Total workforce and breakdown of employees *Indicators: Workforce by sex, age, contract, status and geographical zone*	p 47	LA1 LA13	Annual	Total workforce, contract, status and geographical zone: Group workforce Workforce by sex and age: Workforce in France, Italy and the USA
Movements of the workforce *Indicators: Hires and departures (resignations, dismissals, retirement, death, negotiated agreement, ends of temporary contracts, ends of trial periods)*	p 48		Annual	Workforce in France, Italy and the USA
Personnel turnover *Indicator: (Rate of hires + rate of departures)/2*	p 48	LA1	Annual	Workforce in France, Italy and the USA
Compensation and its development *Indicator: Total payroll expenditure and its development*	p 49		Annual	Workforce in France, Italy and the USA
WORK ORGANIZATION				
Organization of working time *Indicators: % of part-time/full-time personnel, day/shift work*	p 48, 50		Annual	Workforce in France, Italy and the USA
Absenteeism *Indicators: Rate of absenteeism for sickness*	p 51		Annual	France
EMPLOYEE/MANAGEMENT RELATIONSHIPS				
Organization of employee/management dialogue	p 50		Annual	France and Italy
Statement of collective agreements *Indicator: Number of collective agreements signed*	p 50		Annual	France and Italy
HEALTH AND SAFETY				
Health and safety conditions at work *Indicators: Workforce trained during the year on safety*	p 50		Annual	Workforce France and Italy
Statement of agreements signed on health and safety *Indicator: Number of agreements signed*	p 50	LA8	Annual	France and Italy
Work-related accidents *Indicators: Severity and frequency rate, and severity and frequency rate for temporary staff* *Number of work-related illnesses for employees*	p 51	LA6-7	Annual	Salaried employees: Workforce in France, Italy and the USA Temporary staff: Workforce in France, Italy and the USA France, Italy
TRAINING				
Policy implemented concerning training	p 49	LA10	Annual	Workforce in France, Italy and the USA
Hours of training *Indicator: Average number of hours per year per employee*	p 49	LA9	Annual	Workforce France and Italy
Training cost *Indicator: Costs of training / payroll expenditure*	p 49		Annual	Workforce France and Italy
EQUALITY OF TREATMENT				
Measures taken in favor of equality between women and men *Indicator: Proportion of women among managers and operators*	p 47-49	LA12	Annual	Workforce in France, Italy and the USA
Measures taken in favor of employment and integration of disabled persons *Indicator: Proportion of the workforce with a disability*	p 50	LA12	Annual	Workforce France and Italy
Anti-discrimination policy: we have prioritized the following subjects: professional equality between men and women and the integration of disabled persons. In 2015, we will implement an assessment of the “generation contract”.				

LEGEND:

LAX: This indicator is mentioned in article LA X of the GRI

SOCIETAL INDICATORS

	Grenelle 2	GRI Reference Version 4	Collection period	Scope
REGIONAL, ECONOMIC AND LOCAL IMPACT				
In matters of employment and regional development	p 37, 53-54		Annual	Workforce in France, Italy and the USA
On local residents or local populations	p 53-54		Annual	Workforce in France, Italy and the USA
RELATIONSHIP WITH PERSONS OR ORGANIZATIONS CONCERNED BY THE ACTIVITY OF THE COMPANY				
Conditions for dialogue with these persons or organizations	p 38, 53-54		Annual	Workforce in France, Italy and the USA
Partnership or sponsorship actions	p 53-54		Annual	Workforce in France, Italy and the USA
SUBCONTRACTING AND SUPPLIERS				
Consideration of social and environmental issues in the procurement policy	p 53		Annual	MHA and S&S divisions
Importance of subcontracting and the inclusion of their social and environmental responsibility in relationships with suppliers and subcontractors	p 37, 48		Annual	Workforce France
HONESTY OF PRACTICES				
Actions taken to prevent corruption	p 50		Annual	Workforce in France, Italy and the USA
Measures taken in favor of the health and safety of consumers	p 44-46		Annual	Workforce in France, Italy and the USA
Other actions undertaken in favor of human rights	p 50, 53		Annual	Workforce in France, Italy and the USA

LEGEND:

PRX: This indicator is mentioned in article PRX of the GRI

REPORT FROM THE DESIGNATED INDEPENDENT THIRD-PARTY ORGANIZATION ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION SHOWN IN THE MANAGEMENT REPORT

FINANCIAL YEAR ENDING ON 31 DECEMBER 2014

To shareholders,

In our capacity as Manitou BF's independent third-party organization, accredited by COFRAC under number 3-1049*, we present you with our report on the consolidated social, environmental and societal information relative to the financial year ending on 31 December 2014 presented in the management report (hereafter the "CSR Information"), in application of the provisions of article L.225-102-1 of the commercial code.

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to establish a management report including the CSR Information specified by article R.225-105-1 of the commercial code, prepared in accordance with the methodological guide used by the company (hereafter the "Reference Framework"), a summary of which is shown in the management report and available upon request to the head office of the company.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory texts, the profession's code of ethics and the clauses of article L.822-11 of the commercial code. Also, we have established a system of quality control which includes documented procedures and policies aiming to ensure compliance with ethical rules, professional standards and applicable legal and regulatory texts.

RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY ORGANIZATION

It is our responsibility, based upon our work:

– to certify that the required CSR Information is presented in the management report or, if it is omitted, is the subject of an explanation in application of the third sub-paragraph of article R.225-105 of the commercial code (attestation of the presence of CSR Information);

– to express a conclusion of reasonable assurance that the CSR Information, taken overall, is presented, in all significant aspects, honestly in accordance with the Reference Framework (reasoned opinion on the honesty of the CSR Information).

Our work was carried out by a team of five persons between September 2014 and March 2015 over a period of about three weeks.

To assist us in performing our work, we sought the assistance of experts in CSR matters.

We have conducted the work described below in accordance with the professional standards applicable in France and the order dated 13 May 2013 determining the procedures according to which the independent third-party organization conducts its task and, concerning the reasoned opinion on integrity, the international standard ISAE 3000**.

1. Attestation of the presence of CSR Information

We have taken note, based on interviews with the managers of the departments concerned, of the explanation of policies in matters of sustainable development, according to the social and environmental consequences related to the activity of the company and its societal commitments and, where applicable, the resulting actions or programs.

We have compared the CSR Information presented in the management report with the list specified by article R.225-105-1 of the commercial code.

In the absence of certain consolidated information, we have checked that the explanations were supplied in accordance with the clauses of article R.225-105 sub-paragraph 3 of the commercial code.

We have checked that the CSR Information covers the consolidated scope, namely the company and its subsidiaries according to the meaning of article L.233-1 and the companies that it controls according to the meaning of L.233-3 of the commercial code within the limits specified in the methodological mode presented in paragraph 4.5 entitled "Methodological note: extra-financial indicators" in the management report.

Based on this report and given the limits mentioned above, we attest to the presence in the management report of the required CSR Information.

2. Reasoned opinion on the integrity of the CSR Information

Nature and extent of work

We carried out two interviews with the persons responsible for preparing the CSR Information with the departments in charge of the processes of collecting information and, where applicable, the managers of the internal control and risk-management procedures, in order to:

– assess the appropriate character of the Reference Framework with regard to its appropriateness, comprehensiveness, reliability, neutrality and understandability, where appropriate taking into account best practices in the sector;

– check the establishment of a process for collecting, compiling, processing and control covering the comprehensiveness and consistency of the CSR Information and inspect the procedures for internal control and management of risks relative to the preparation of CSR Information.

We have determined the nature and extent of our tests and checks according to the nature and significance of the CSR Information with regard to the characteristics of the company, the social and environmental issues arising from its activities, its policies in matters of sustainable development and best sectoral practices.

For the CSR information that we considered the most important, presented in the tables below:

– - at the level of the consolidating entity, we have consulted the documentary sources and carried out interviews to corroborate the qualitative information (organization, policies, actions), we have applied analytical procedures to the quantitative information and checked, based on sampling, the calculations and the consolidation of data and we have checked its consistency and agreement with other information shown in the management report;

– - at the level of a representative sample of sites that we selected*** according to their activities, their contribution to the consolidated indicators, their location and an analysis of risk, we carried out interviews to check the correct application of the procedures and carried out detailed tests based on samples, consisting of verifying the calculations made and reconciling the data with the substantiating documentation. The sample thus selected represents between 63% and 100% of the workforce and between 50% and 100% of the quantitative environmental information.

* The scope of which is available on the site www.cofrac.fr

** ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

*** Company information: Manitou Americas (USA), Manitou BF (France).

Environmental information: Production site at Ancenis (France).

Social indicators	**Reporting scope**
Workforce on 12/31/14 Breakdown by status, contract and geographical zone	Group
Breakdown by sex and by age Number of hires & departures Turnover Frequency rate of work-related accidents Severity rate of work-related accidents	France, Italy and USA
Total number of hours of training Training cost	France and Italy
Rate of absenteeism for sickness	France

Environmental indicators	**Reporting scope**
Number of sites certified ISO 14001	Group
Consumption of energy per source and per equivalent truck Quantity of waste generated per equivalent truck Rate of waste recycling by type and by end of life Consumption of paint by equivalent truck Rates of compliance of aqueous industrial waste	France
Emissions of VOC per equivalent truck	Production sites at Ancenis, Laillé and Candé

Qualitative information	
Social topics	The organization of management/employee dialogue, particularly the procedures for information, consultation of personnel and negotiation with the personnel The measures taken in favor of equality between women and men
Environmental topics	The organization of the company to take into account environmental questions, and the procedures for evaluation or certification in environmental matters Energy consumption and measures taken to improve energy efficiency and use of renewable energies The consumption of raw materials and measures taken to improve efficiency in their use
Societal topics	The inclusion of environmental and social issues in the company's procurement policy The importance of subcontracting and the inclusion of their social and environmental responsibility in relationships with suppliers and subcontractors

For the other consolidated CSR information, we have assessed its coherence in relation to our knowledge of the company.

Lastly, we assessed the appropriateness of the explanations relative to any partial or total absence of certain information.

We consider that the sampling methods and sample sizes that we used by exercising our professional judgment allow us to come to a conclusion of reasonable assurance; assurance of a higher level would have required more extensive verification work. Due to the use of sampling techniques as well as other limits inherent to the functioning of any information and internal-control system, the risk that a significant anomaly in the CSR Information may not have been detected cannot be totally ruled out.

CONCLUSION

Based on our work, we have not found any significant anomaly likely to call into question the fact that the CSR Information taken as a whole, is presented honestly in accordance with the Reference Framework.

Paris La Défense, 26 February 2015

Anne Garans	**Prashant Shah**
Partner Climate change & Sustainable Development Department	Partner

5. CORPORATE GOVERNANCE

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5.1 GOVERNANCE IN 2014

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.

A specific organization of the Board of directors

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

The Strategic committee

The Compensation committee

The Audit committee

The Development committee

The operational organization of the group in 3 divisions

Since July 1, 2014, the group has been organized around 3 divisions, two product divisions and a service division:

– The MHA division - Material Handling & Access specialized in handling equipment and aerial work platforms,

– The CEP division - Compact Equipment Products specialising in compact equipment.

– The S&S division - Services & Solutions combines all sales service businesses, after sales services and end-user services.

Changes in governance in 2014

The appointment of Michel Denis to the position of President and Chief executive officer as a replacement to Dominique Bamas

The Board of directors announced the appointment of Michel Denis as President and Chief executive officer, thereby replacing Dominique Bamas.

Michel Denis assumed his functions on Monday, January 13, 2014 for a four year term expiring at the Shareholders' Meeting for the approval of 2017 financial statements.

Changes in the Executive committee

The group's Executive committee experienced certain changes in 2014. The Committee is structured to be able to support the new roadmap approved by the Board and presented by Michel Denis at the Shareholders' Meeting on June 5, 2014.

5.1.1 THE ACTIVITIES OF THE BOARD OF DIRECTORS AND 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 9 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.

Chairman of the Board of directors

Board members	
Braud family branch	Marcel Braud Sébastien Braud Marcel-Claude Braud
Himsworth family branch	Jacqueline Himsworth Gordon Himsworth Christopher Himsworth
Independent members	Dominique Bamas, co-opted since April 23, 2014 to replace Joël Goulet who resigned Pierre-Henri Ricaud Agnès Michel Ségalen

Composition of the Board's committees

	Members	Alternates
Strategic committee	Marcel Braud Marcel-Claude Braud Gordon Himsworth Dominique Bamas	Sébastien Braud Christopher Himsworth
Audit committee	Jacqueline Himsworth Pierre-Henri Ricaud Agnès Michel-Ségalen	Sébastien Braud
Compensation committee	Dominique Bamas Christopher Himsworth Sébastien Braud	Pierre-Henri Ricaud
Development committee*	Marcel Braud Jacqueline Himsworth	Sébastien Braud Gordon Himsworth

* This committee did not meet in 2014.

MARCEL BRAUD

Chairman of the Board (non-executive).
Re-elected as a Board member and Chairman of the Board of directors in June of 2013 for a period of 4 years.
Nationality: French
Business Address: 430 rue de l'Aubinière – BP 10249 – 44158 Ancenis Cedex France
Experience and management expertise:
- President & 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 June 2013
- Chairman of the Development committee since June 2013

Mandates having expired during the last five years (Manitou group):
- Chairman of the Board of directors from December 2009 to June 2013
- Chairman of the Strategic committee since June 2013
- Chairman of the Development committee until June 2013

Other offices held at companies related to the group:
- Co-manager of HB-Holding Braud (France) since 1997

JACQUELINE HIMSWORTH

Vice-Chairperson of the Board of directors

Board member since 1970. Reappointed in June of 2013 for a period of 4 years as a Board member, Vice-chairperson of the Board of directors and Chairperson of the Audit committee.

Nationality: French

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

Experience and management expertise:

- Graduated from ESSCA, Chairperson of Ets Marcel Braud from 1986 to 2000, Chief executive officer of SFERT from 1984 to 2009 and Chairperson and Chief executive officer of SFERT from 2009 to 2011.

Other offices currently held (Manitou group):

- Chairperson of the Audit committee since June 2013
- Member of the Development committee June 2013

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

- Chairperson of the Audit committee until June 2013
- Member of the Development committee until June 2013

Other offices held at companies related to the group:

- Managing director of Ancemat, an association, since 2008

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

- Chairman and Chief executive officer of SFERT SA (France) from 2009 to 2011

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 Board of directors

Board member since 1998. Re-appointed in June 2013 for a period of 4 years.

Nationality: British

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

Experience and management expertise:

- Former Chief executive officer of Braud SA, Board member of Manitou Finance Ltd (UK), Graduate of l'Ecole de Management (UK)

Other offices currently held (Manitou group):

- Member of the Strategic committee since June 2013
- Board member at Manitou Finance UK since June 1999

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

- Member of the Strategic committee from December 2009 to June 2013
- Alternate member of the Development committee from December 2009 to June 2013

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

- Board member of SFERT SA, France until 2011

Other offices held in companies independent of the group:

- Managing director of Menskin SARL (France) since October 8, 2012
- Chairman and CEO of SAEMIA SA (France) from 1990 to 2014
- Managing director of SCI "6 rue Poupard Davyl" Ancenis (France) since 2000

SÉBASTIEN BRAUD

Member of the Board of directors

Board member since 2009. Re-appointed in June 2013 for a period of 4 years.

Nationality: French

Business Address: 34, avenue de Larrieu – Centre de Gros 2 – 31094 Toulouse Cedex France

Experience and management expertise:

- Chairman of Actiman SAS since 2005 (Manitou dealer), product manager at Manitou for 10 years

Other offices currently held (Manitou group):

- Member of the Compensation committee since June 2013
- Alternate member of the Strategic committee since June 2013
- Alternate member of the Audit committee since June 2013

Mandates having expired during the last five years (Manitou group):
- Member of the Strategic committee from December 2009 to June 2013
- Alternate member of the Development committee from December 2009 to June 2013

Other offices held in companies independent of the group:
- Chairman of Actiman SAS since 2005

CHRISTOPHER HIMSWORTH

Member of the Board of directors

Board member since December 2009. Re-appointed in June 2013 for a period of 4 years.

Nationality: French

Business Address: Avenue de Floréal 156, 1180 Uccle (Belgium)

Other offices currently held (Manitou group):
- Member of the Compensation committee since June 2013
- Alternate member of the Strategic committee since June 2013

Mandates having expired during the last five years (Manitou group):
- Member of the Compensation committee from December 2009 to June 2013
- Alternate member of the Strategic committee from December 2009 to June 2013

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 October 2012
- Managing director SCI Alliantmar until 2011

JOËL GOULET

Member of the Board of directors

Independent Board member from 1997 until the April 23, 2014.

Nationality: French

Business Address: 8 rue Charles-François Dupuis Paris 75008 – France

Experience and management expertise:
- 26 years of executive management

Other offices currently held (Manitou group):
- None

Mandates having expired during the last five years (Manitou group):
- Member of the Board of directors from June 2013 to April 2014
- Member of the Compensation committee from December 2009 to June 2013
- Member of the Strategic committee from December 2009 to June 2013
- Chairman of the Compensation committee since June 2013 to April 2014
- Member of the Strategic committee from June 2013 to April 2014

Other offices held in companies independent of the group:
- Chairman of the Supervisory board at HMY International (France) since 2008
- Managing director A.R.S. Consulting since 2008
- Board member at Shanghai Yongguang Commercial Equipment Co Ltd (China) since 2006
- Board member at Sichuan Yongguang Commercial Equipment Co Ltd (China) since 2006
- Member of the Financial supervisory board for the Pommier group since 2010
- Member of the Financial monitoring board for the Pommier group since 2010

MARCEL-CLAUDE BRAUD

Member of the Board of directors until June 28, 2013

Nationality: French

Business Address: 430, rue de l'Aubinière – BP 10249 – 44158 Ancenis

Experience and management expertise:
- Chairman of the Executive board of Manitou BF from 1998 to June 2009.

Other offices currently held (Manitou group):
- Member of the Strategic committee since June 2013

Other mandates in companies related to the group that expired during the last five years:
- Representative of HB-Holding Braud and Board member of SFERT SA (France) until 2011

Other offices held in companies independent of the group:
- Director of Ligérien's Yachting (France)

Other mandates in companies independent of the group that expired during the last five years:
- None

DOMINIQUE BAMAS

Member of the Board of directors until April 23, 2014
Independent Board member from June 2009 to March 6, 2013
Chief executive officer of Manitou BF from March 6, 2013 to January 13, 2014

Nationality: French

Business Address: 42A rue du Château de l'Eraudière – 44300 Nantes

Experience and management expertise:

- Graduate of Audencia Nantes and certified accountant. After starting his career at the PriceWaterhouse representative in France he became a partner at the certified accounting and auditing firm Secovec Blin et Associés. He then joined the Roullier group as CFO and executive committee member, General manager of a subsidiary in Spain, Chief executive officer of the agrochemicals division and then General manager of the Axereal group until 2011. Since then, he has managed a consulting company specializing in transition management.

Other offices currently held (Manitou group):

- Chairman of the Compensation committee since April 2014
- Member of the Strategic committee since April 2014

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

- Independent member of the Manitou group Board of directors from December 2009 until March 6, 2013
- Alternate member of the Audit committee from December 2009 to September 2011
- Member of the Supervisory board from June to December 2009
- Member of the Audit committee from July to December 2009
- Member of the Audit Committee from September 2011 to March 6, 2013
- Chairman of the Board of Directors of Manitou Americas
- Board member of Manitou Finance UK from March 2013 until January 2014
- Chairman of Manitou Americas (United States) from March 2013 to January 2014

Other offices held in companies independent of the group:

- Member of the Board of directors of the Soprol group since May 2014
- Manager of Upsides Dirigeant Conseil since 2011

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

- General manager of Axereal (co-operatives) and some of its subsidiary companies until 2010

PIERRE-HENRI RICAUD

Independent member of the Board of directors
Board member since December 2009. Re-appointed in June 2013 for a period of 4 years.

Nationality: French

Business Address: 5 place des Ternes – 75017 Paris

Experience and management expertise:

- Director Mergers and Acquisitions EADS (2003-2006), Secretary General EADS (2000-2003), Founder, Managing director then Chairman of the Pragma consulting firm (since 2007).

Other offices currently held (Manitou group):

- Alternate member of the Audit committee since June 2013
- Alternate member of the Compensation committee since June 2013

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

- Member of the Audit committee from December 2009 to June 2013
- Alternate member of the Compensation committee from December 2009 to June 2013

Other offices held in companies independent of the group:

- Chairman of the financial and strategic consulting firm Pragma (SAS) since February 2013
- Board member of Recaero SA from May 2011 to 2013 and Censeur from 2013 until November 29, 2014

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

- Board member at Segula Technologies until 2012
- Board member at Dassault Aviation, France until 2010
- Managing director at Fortum France SNC since June 2011 until December 2013
- Managing director of the financial and strategic consulting firm Pragma (EURL) from 2007 to February 2013

AGNÈS MICHEL-SÉGALEN

Independent member of the Board of directors
Board member since April 2013. Appointed in June 2013 for a period of 4 years.
Nationality: French
Business Address: 58, Bd de la République – 92210 St Cloud
Experience and management expertise:
- Auditor at Arthur Andersen and the Lagardère group and afterwards management of the financial and mergers & acquisitions functions at EADS and the Sodexo group. Graduate Notary.

Other offices currently held (Manitou group):
- Alternate member of the Audit committee since June 2013

Mandates having expired during the last five years (Manitou group):
- Member of the Audit committee since June 2013

Other offices held in companies independent of the group:
- None

Other mandates in companies independent of the group that expired during the last five years:
- None

Over the past five years, none of these persons:

– has been convicted of fraud;

– has been associated in his 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 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 or upper management functions within Manitou and other structures for many years. Two of them have been Board members for several years.

Completion date of mandates

The members of the Board of directors were all appointed by the Shareholders' meeting on June 28, 2013 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, 2016.

Service contracts and the granting of benefits

None

Secretary of the Board

The Board's secretariat function is performed by Hervé Rochet, Corporate Secretary.

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. Those were evaluated based on article R8 of the MiddleNext code and are mainly characterized by the absence of a significant financial, contractual or family relationship likely to compromise the independence of their judgement.

5.1.4 EVALUATION OF THE BOARD OF DIRECTORS AND THE SPECIALISED COMMITTEES

The Board performed an internal evaluation of its operation. Each Board member presented his or her assessment on the basis of a questionnaire provided by the MiddleNext Corporate governance code.

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 meetings on March 10 and July 17 2014.

5.1.5 EXECUTIVE MANAGEMENT

DOMINIQUE BAMAS

Chief executive officer of Manitou from March 6, 2013 to January 13, 2014

Nationality: French

Business Address: 42A rue du Château de l'Eraudière – 44300 Nantes

Please see section 5.1.2 entitled "Manitou BF's Board of directors" for Dominique Bamas's experience and offices held.

MICHEL DENIS

Chief executive officer of the Manitou group since January 13, 2014

Nationality: French

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

Experience and management expertise:

- Graduate of ESSEC and the Ecole Centrale in Lyon, he began his career in strategic consulting. He joined Dalkia in 1994 to develop cogeneration. He subsequently managed the French businesses of MC International which later became Johnson Controls, a specialist in industrial and commercial refrigeration. In 2003, he joined the Fraikin group, the European leader in the rental of trucks, of which he was Chief executive officer until August 2013. Over the past 10 years, he accompanied the strong international development of the Fraikin group which imposed its approach to the design of industrial vehicles, the associated services and the European financing of its fleet of 60,000 vehicles as a model.

Other offices currently held (Manitou group):

- President Manitou Americas (United States)
- Board member of Manitou Finance UK (United Kingdom)
- President de Manitou Italia (Italy)
- President de Cobra MS (France)
- Vice-Chairman of HMME (China)

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

- None

Other mandates held in companies independent of the group:

- Managing director of Gamagule SARL
- Managing director of GLGM Conseil EURL

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

- Board member - General manager of FTI until the end of April 2013
- Chairman of the Board of directors of Fraikin France until the end of June 2013
- President of Fraikin locatime until the end of July 2010
- Member and Chairman of the Supervisory Board at Financière Adkarr until the end of December 2009
- President of FL Maintenance until the end of November 2009
- Board member at Fraiken ltd until the end of June 2013
- Board member at Fraikin Alquiler de Vehiculos SA until June 2013
- President and member of the Board of directors of Fraikin Supply until the end of June 2013
- President of Frinvest until the end of June 2013

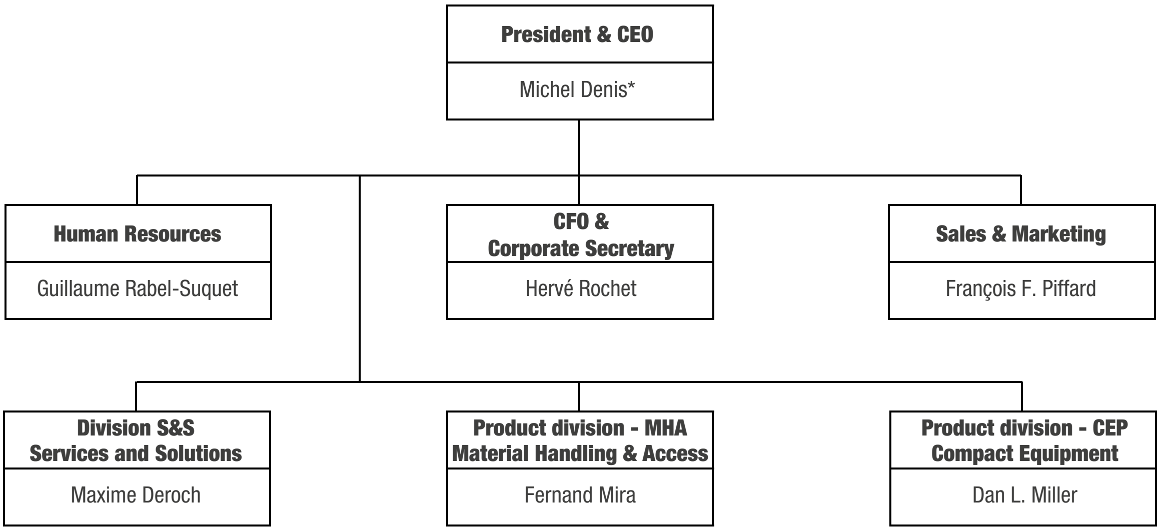
5.2 THE EXECUTIVE BODIES

THE GROUP'S EXECUTIVE COMMITTEE (7 MEMBERS)

The Executive Committee is composed of 7 members: The President and CEO, Executive Vice-President of Human Resources, Corporate Secretary, Executive Vice-President Sales & Marketing, President of the S&S Division, President of MHA Division and President of the CEP Division.

The Executive committee meets once a week and several times a year within the framework of seminars.

ORGANIGRAMME DU GROUPE AU 04 MARS 2015



* Since Jan. 13, 2014 to replace Dominique Bamas

COMPENSATION PAID TO THE ADMINISTRATIVE AND EXECUTIVE 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 French 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 granted to each executive corporate officer

In euros

Marcel Braud *Chairman of the Board of directors*	**2013**	**2014**
Compensation due for the period (see details in table 2)	262,237	182,112
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	**262,237**	**182,112**

In euros **Jean Christophe Giroux** *President and Chief executive officer since December 17, 2009* *(Chairman of the Executive board from June 2, 2009 to December 17, 2009)*	**2013**	**2014**
Compensation due for the period (see details in table 2)	842,221	-
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	**842,221**	**-**

NB: Jean Christophe Giroux joined Manitou on June 2, 2009. His mandate ended on March 6, 2013.

In euros **Dominique Bamas** *President and Chief executive officer since March 6, 2013*	**2013**	**2014**
Compensation due for the period (see details in table 2)	678,358	29,457
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	**678,358**	**29,457**

NB: Dominique Bamas joined Manitou on March 6, 2013. His mandate ended on January 13, 2014

In euros **Michel Denis** *President and Chief executive officer since January 13, 2014*	**2013**	**2014**
Compensation due for the period (see details in table 2)		635,680
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		**635,680**

NB: Michel Denis joined Manitou on January 13, 2014.

Table 2: Summary of compensation paid to each executive corporate officer

In euros		**2013**		**2014**
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)	143,664	143,664	141,138	141,138
- Fixed compensation related to other group companies*	76,189	76,189		
- Attendance fees	39,000	36,000	39,000	34,500
- Benefits in kind	3,384	3,384	1,974	1,974
Total	**262,237**	**259,237**	**182,112**	**177,612**

* The company Lucas G

In euros		**2013**		**2014**
Jean-Christophe Giroux *President and Chief executive officer*	Amounts due	Amounts paid	Amounts due	Amounts paid
- Mandate (fixed compensation)	90,000	90,000	-	-
- Variable compensation	60,000	360,000	-	-
- Indemnity for a non-competitive clause	180,000	135,000	-	45,000
- Exceptional indemnity	510,000	510,000	-	-
- Attendance fees	-	-	-	-
- Benefits in kind	2,221	2,221	-	-
Total	**842,221**	**1,097,221**	**-**	**45,000**

In euros		**2013**		**2014**
Dominique Bamas *President and Chief executive officer from March 6, 2013 to January 13, 2014*	Amounts due	Amounts paid	Amounts due	Amounts paid
- Mandate (fixed compensation)	294,545	294,545	10,910	10,910
- Attendance fees	18,000	18,000	18,000	18,000
- Exceptional indemnity	360,000			360,000
- Benefits in kind	5,813	5,813	547	547
Total	**678,358**	**318,358**	**29,457**	**389,457**

In euros		2013		2014
Michel Denis *President and Chief executive officer since January 13, 2014*	Amounts due	Montants versés	Amounts due	Montants versés
- Mandate (fixed compensation)	-	-	339,781	339,781
- Attendance fees	-	-	-	-
- Variable compensation	-	-	286,001	-
- Benefits in kind	-	-	9,898	11,057
Total			**635,680**	**350,838**

5.3.2 COMPENSATION OF EXECUTIVES AND CORPORATE OFFICERS

Table 3: Table of fees and other compensation received by Board members

Board members		**Paid in 2013 related to 2012**	**Paid in 2013 related to 2013**	**Paid in 2014 related to 2013**	**Paid in 2014 related to 2014**
Marcel Braud	Attendance fees Manitou BF	13,500	22,500	16,500	18,000
	Compensation Manitou BF		147,048		143,112
	Other compensation		76,189		0
Jacqueline Himsworth	Attendance fees Manitou BF		105,000		105,000
	Compensation Manitou BF				
	Other compensation				
Gordon Himsworth	Attendance fees Manitou BF	15,750	29,250	9,750	23,400
	Other compensation				
Sébastien Braud	Attendance fees Manitou BF	15,750	29,250	12,750	23,400
	Other compensation				
Joël Goulet	Attendance fees Manitou BF	18,000	33,000	18,000	12,000
	Other compensation				
Dominique Bamas	Attendance fees Manitou BF	25,500	18,000	0	18,000
	Other compensation				
Christopher Himsworth	Attendance fees Manitou BF	15,750	26,250	15,750	23,400
	Other compensation				
Pierre-Henri Ricaud	Attendance fees Manitou BF	19,500	40,500	19,500	32,400
	Other compensation				
Marcel-Claude Braud	Attendance fees Manitou BF		12,000	12,000	25 200
	Other compensation				
Agnès Michel-Segalen	Attendance fees Manitou BF		27,000	15,000	32,400
	Other compensation				
TOTAL		**123,750**	**565,987**	**119,250**	**456,312**
Total Manitou BF only		123,750	489,798	119,250	456,312
Of which, attendance fees		123,750	342,750	119,250	313,200
Of which, compensation		0	147,048	0	143,112

Since 2010, the settlement of fees has changed from an annual payment to quarterly payments.

Table 4: Share subscription or purchase options granted to each executive corporate officer by the issuer and each group company

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:

Options granted to each executive corporate officer by the issuer or any group company	N° and date of plan	Type of options	Valuation of options per method applied for the consolidated financial statements (IFRS2)	Number of options granted	Exercise price	Financial period
None						

Table 5: Subscription or purchase options exercised during the year by each executive corporate officer

Options exercised by executive corporate officer	N° and date of plan	Number of options exercised during the period	Exercise price
None			

Table 6: Performance shares granted to each 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
None					

Table 7: Performance shares which became available for each corporate officer

Performance shares which became available for each corporate officer	N° and date of plan	Number of shares which became available during the period	Purchase conditions
None			

OTHER REGULATED INFORMATION

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or potentially due as a result of termination or change of functions		Compensation related to a non-competitive clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Marcel Braud Chairman of the Board of directors Date term started: 28.06.2013 Date term expires: 2017	X			X		X		X
Dominique Bamas President & Chief executive officer Date term started: 06.03.2013 Date term expired: 13.01.2014		X		X	X		X	
Michel Denis President & Chief executive officer Date term started: 13.01.2014 Date term expired: 4 years up to the Shareholders' Meeting for the approval of the financial statements at 31.12.2017		X		X	X		X	

COMPENSATION OF DOMINIQUE BAMAS

SPECIFIC COMPONENTS

– The Board of directors meeting dated March 6, 2013 granted compensation representing a fixed monthly salary being the only current or deferred compensation of the President and Chief executive officer.

– The Board of directors meeting of March 6, 2013 granted an indemnity due in the case of resignation or termination except in the case of gross negligence or misconduct. The indemnity was fixed at 6 or 12 times his monthly salary respectively according to whether his dismissal takes place before or after November 30, 2013.

– The Chief executive officer benefits from the same pension and retirement plan as the company's managers.

NON-COMPETITIVE CLAUSE OF DOMINIQUE BAMAS

The Board of directors meeting of March 6, 2013 appointed Dominique Bamas to the functions of President and Chief executive officer with a non-competitive clause for a 12 month period following the end of its mandate.

The non-competitive clause of Dominique Bamas was waived by the Board on January 8, 2013.

COMPENSATION OF MICHEL DENIS

SPECIFIC COMPONENTS

– The Board of directors meeting dated January 8, 2014 granted Michel Denis, annual variable gross compensation equal to a maximum of 75% of annual gross compensation. The variable compensation is based on several quantitative and qualitative criteria of which the type, weight, and objectives were calculated by the Board of directors.

– The Board of directors meeting dated January 8, 2014 granted Michel Denis a progressive long-term incentive bonus based on the change in net income per share for which the objective is defined by the Board of directors.

– The Board of directors meeting of January 8, 2014 granted a termination indemnity due in the case of dismissal or non-renewal of his mandate except in the case of gross negligence or misconduct. The amount of the indemnity is set at 100% of fixed and variable compensation and the progressive long-term incentive bonus paid in the full-year period preceding the period in which the dismissal becomes effective or during the period in which the renewal does not take place under the condition that bonus criteria achieved during the prior period are greater than 35%.

– The President & Chief executive officer benefits from insurance which provides a guarantee in the event of the involuntary loss of employment for a period of 12 months which will be extended to 24 months as of September 2015.

– The President & Chief executive officer benefits from the same pension and retirement plan as the company's managers.

NON-COMPETITIVE CLAUS OF MICHEL DENIS

The Board of Directors meeting of January 8, 2014 appointed Michel Denis to the functions President & Chief executive officer with a non-competitive clause for the 12 month period following the end of its mandate.

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 June 28, 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2018

RSM OUEST, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Nicolas Perenchio, partner,

213, route de Rennes, BP 60277 – 44702 Orvault Cedex

Appointed on June 28, 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2018

5.4.2 ALTERNATE STATUTORY AUDITORS

BEAS, represented by Alain Pons, Alternate of Deloitte & Associates, registered member of the Regional Company of Statutory auditors of Versailles,

195 avenue Charles de Gaulle – 92 000 Neuilly sur Seine

Appointed on June 28, 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2018

Jean-Michel Grimonprez, Alternate of RSM OUEST, registered member of the Regional Company of of Statutory auditors of Rennes,

Appointed on June 28, 2013.

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2018

5.4.3 FEES PAID TO THE STATUTORY AUDITORS AND THEIR NETWORK

The fees recorded in 2014 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 21 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 Chairman of the Board of directors' report on the functioning of the Board and internal control.

WORK'S COUNCIL INFORMATION

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

Phone + 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's incorporation was published on February 5, 1954 and the company registered in the French business registry in Nantes on September 23, 1957. The company's duration was set at ninety-nine years (99) as of June 3, 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.

COMPANY REGISTRATION DETAILS

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 DISTRIBUTION OF EARNINGS

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 constitute the net income.

Distributable income is composed of net income 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 INFORMATION ON THE SHARE CAPITAL

6.2.1 SHARE CAPITAL

At December 31, 2014, 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

No changes in share capital took place during the year 2014.

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
28.06.2013	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by issuing – with pre-emptive subscription rights – shares and/or securities providing access to the Company's share capital and/or securities entitling the holder to a distribution of debt securities set to a global ceiling of 10 million euros.	26 months	Unused
28.06.2013	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by issuing shares and/or securities providing access to the company's share capital and/or the issuance of securities providing rights to the attribution of debt securities, by way of public offering with cancellation of preferential subscription rights of shareholder debt set to a global ceiling of 10 million euros.	26 months	Unused
28.06.2013	Delegation of authority	Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or securities providing access to the company's share capital and/or the issuance of securities providing rights to the attribution of debt securities, by way of an offer referred to in Section II of Article L.411-2 of the French Monetary and Financial Code with cancellation of preferential subscription rights of shareholder debt set to a global ceiling of 10 million euros.	26 months	Unused
28.06.2013	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by way of the capitalisation of premiums, reserves, earnings or other set to a global ceiling of 10 million euros.	26 months	Unused
28.06.2013	Delegation of authority	To potentially issue shares or securities giving access to the share capital without pre-emptive subscription rights in consideration of in-kind contributions concerning shares or securities providing access to the company's share capital limited to 10% of share capital and set to a global ceiling of 10 million euros.	26 months	Unused

Date	Type	Subject	Validity period	Use made of this authority during the year
05.06.2014	Delegation of authority	Authorization to provide the Board of directors, for the purpose of reducing the share capital of the Company through the cancellation of treasury shares held, within the limit of 10% of the company's share capital, or, as a reference, a limit of 3.954.894 shares at December 31, 2013.	18 months	Unused
05.06.2014	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by issuing – with pre-emptive subscription rights – shares and/or securities providing access to the Company's share capital and/or securities entitling the holder to a distribution of debt securities set to a global nominal ceiling of 8 million euros.	26 months	Unused
05.06.2014	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by issuing shares and/or securities providing access to the company's share capital and/or the issuance of securities providing rights to the attribution of debt securities, by way of public offering with cancellation of preferential subscription rights of shareholder debt set to a global nominal ceiling of 8 million euros.	26 months	Unused
05.06.2014	Delegation of authority	Delegation of authority to the Board of Directors to decide to increase the share capital by issuing shares and/or securities providing access to the company's share capital and/or the issuance of securities providing rights to the attribution of debt securities, by way of an offer referred to in Section II of Article L.411-2 of the French Monetary and Financial Code with cancellation of preferential subscription rights of shareholder debt set to a global nominal ceiling of 8 million euros.	26 months	Unused
05.06.2014	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by way of the capitalisation of premiums, reserves, earnings, or other, set to a global nominal ceiling of 8 million euros.	26 months	Unused
05.06.2014	Delegation of authority	To potentially issue shares or securities giving access to the share capital without pre-emptive subscription rights in consideration of in-kind contributions concerning shares or securities providing access to the company's share capital limited to a global nominal ceiling of 8 million euros.	26 months	Unused
05.06.2014	Delegation of authority	Delegation of authority to the Board of directors to grant free shares from existing shares to salaried employees and corporate officers of the group or certain salaried employees and officers among them set to a ceiling of 2% of total share capital at the date of the Board of directors' decision.	38 months	Unused

DISTRIBUTION OF CAPITAL AND VOTING RIGHTS AT DECEMBER 31, 2014

	% of capital			% of voting rights		
	2012	2013	2014	2012	2013	2014
Braud and Himsworth Families	65,43%	65,43%	65,43%	65,95%	65,95%	65,93%
Braud family branch	32,16%	32,16%	32,16%	32,42%	32,43%	32,41%
Himsworth family branch	7,35%	6,14%	6,14%	7,41%	6,19%	6,18%
Ancemat (1)	5,18%	6,25%	6,25%	5,22%	6,30%	6,29%
Wecanrent (1)	5,18%	5,18%	5,18%	5,22%	5,23%	5,22%
Coliphin Invest (1)	5,18%	5,34%	5,34%	5,23%	5,38%	5,38%
Trinity group (1)	5,18%	5,18%	5,18%	5,22%	5,23%	5,22%
Sonafina (1)	5,18%	5,18%	5,18%	5,22%	5,23%	5,22%
Généval (Societe Generale group)	6,26%	-	-	6,31%	-	-
Yanmar	-	6,26%	6,26%	-	6,31%	6,31%
Toyota	2,83%	2,83%	2,83%	2,85%	2,86%	2,85%
Treasury shares	2,83%	0,82%	0,76%	-	-	-
Employee share ownership	0,81%	0,83%	0,80%	0,82%	0,84%	0,81%
Other	23,88%	23,53%	23,92%	24,07%	24,03%	24,10%
Total	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**	**100,00%**
Floating	34,57%	34,57%	34,57%			

(1) Companies owned by Himsworth family members.

6.2.3 HOLDINGS AND CONTROL

Manitou is controlled by the Braud and Himsworth families who together hold 65.43% of share capital. The Manitou Board of directors includes three independent directors, out of a total of nine directors, in the spirit of the MiddleNext Code of corporate governance, and the functions of the President & Chief executive officer are separated from those of the Chairman of the board of directors and were performed by Dominique Bamas from March 6, 2013 until January 13, 2014 and by Michel Denis since January 13, 2014 who are independent of the Braud and Himsworth families.

6.2.4 INFORMATION RELATED TO SHAREHOLDERS' AGREEMENTS AND COLLECTIVE COMMITMENTS FOR THE RETENTION OF MANITOU SHARES

6.2.4.1 SHAREHOLDER AGREEMENTS

The family shareholders signed a shareholder agreement on June 9, 2011 which is valid for a period of 6 years and which includes 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 Board members, three directors appointed at the discretion of each of the family branches (for a total of six Board members) and three independent Board members to be unanimously proposed by Jacqueline Himsworth and Marcel Braud and appointed by the Shareholders' Meeting;

– 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.

6.2.4.2 COLLECTIVE COMMITMENTS

Signature date	Type of commitment	Number of shares Percentage of share capital and voting rights	Term	Shareholder 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*
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** with the exception of the company Ancemat - The company Wecanrent - The company Coliphin Invest - The company Trinity group - The company Sonafina - Marcel 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 - Marcel 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	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 - Marcel Braud - Marcel-Claude Braud - Sebastien Braud

* The Braud family branch consists of: Marcel Braud, Lilianne Braud-Orhon, Marcel-Claude Braud, Sebastien Braud, Emilie Braud-Fischel, Catherine Braud, Valerie Braud-Walsh and the company HB Holding Braud

** 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 EXISTANCE 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 €0.35 per share to the Shareholders' Meeting for the approval of the 2014 financial statements.

6.2.8 HISTORICAL DIVIDEND INFORMATION

In compliance to the provisions of article 243 bis of the French general tax code, we remind you that the dividends distributed related to the three preceding periods were as follows:

Period	Number of shares	Net dividend
2011	39,547,824	€ 0,30
2012	39,548,949	€ 0,45
2013	39 548 949	0

6.2.9 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in the Statutory auditors report on regulated agreements and commitments found in the annual financial reports of Manitou relating to fiscal years 2011, 2012 and 2013.

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.

At the publication date of this report, the group believes that the legal proceedings in process against it for amounts which could have a material impact upon it are not sufficiently founded to justify recording a provision in the financial statements, it being specified that this approach is the result of an analysis performed the group and its advisors.

The group has also launched legal proceedings and arbitration against thirds parties which could have a material favourable impact on its financial position or profitability under the assumption that the group's claims would be obtained.

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'S SHARES

SHARE LISTING

Manitou shares have been listed since April 24,1984. The group celebrated the 30th anniversary of its listing in 2014.

The Manitou share is listed on Compartment B of NYSE Euronext Paris.

SHARE CODES AND TICKERS

ISIN code:	FR0000038606
MNO:	MTU
Reuters code:	MANP.PA
BLOOMBERG code:	MTU.FP

Indices
CAC MID & SMALL
CAC SMALL
CAC ALL-SHARE
CAC ALL-TRADABLE
CAC INDUSTRIALS
CAC IND. ENGIN.
ENTERNEXT PEA PME 150

Eligibility of Manitou shares for the OSRD (Stock exchange orders with Deferred Settlement Service) Long only.

SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Period	Volume	Highest €	Lowest €	Month-end	Market capitalisation (In millions of euros)
January 2013	386,094	14.5	12.88	13.15	520
February	354,796	14.06	12.69	13.77	545
March	849,113	13.78	10.45	11.15	441
April	344,972	11.35	10.25	10.88	430
May	223,153	11.47	10.74	11	435
June	302,908	11	9.83	10.48	414
July	322,472	10.65	9.4	9.72	384
August	439,181	11.3	9.66	10.94	433
September	439,952	12.7	10.79	12.58	498
October	2,938,397	14.6	12.5	13.9	550
November	212,676	14.4	13.51	13.71	542
December	148,178	14.1	12.8	13.8	546
Total - Highest/Lowest	**6,952,892**	**14.6**	**9.4**		

Period	Volume	Highest €	Lowest €	Month-end	Market capitalisation (In millions of euros)
January 2014	531,618	14,11	12,38	13	514
February	210,099	13.15	12.7	13	514
March	516,111	13	11.55	12.49	494
April	262,382	13.95	11.85	13.63	539
May	127,287	13.75	12.23	12.99	514
June	232,768	13.3	12	12	475
July	157,554	13.3	11.5	12.5	494
August	177,060	13.34	11.62	13.05	516
September	161,929	13.7	12.52	12.52	495
October	243,712	12.54	10.51	11.1	439
November	135,458	12.1	11.13	11.96	473
December	372,148	13.71	11.45	12.2	482
Total - Highest/Lowest	**3,128,126**	**14.11**	**10.51**		

Source: NYSE Euronext

7.
ADDITIONAL INFORMATION

page

7.1 CHAIRMAN'S REPORT IN APPLICATION OF ARTICLE 225-37 OF THE FRENCH COMMERCIAL CODE 86

7.2 STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT 90

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.

This report was prepared with the assistance of the Manager of internal audit and control, reviewed by the Audit committee and approved by the Board of directors on March 4, 2015.

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 2014 permitted executive management and the board of directors to reaffirm their commitments with respect to corporate social responsibility (CSR). Six CSR priorities were defined through the 2015-2018 roadmap which is fully integrated into the group's development strategy. The year 2014 has been highlighted by numerous external awards related to our CSR process, particularly the REDUCE program which is aimed at supporting our users in the reduction of their operating costs and their environmental footprint. We will especially remember: The grand prize for Entreprises & Environnement awarded by the Ministry of Ecology, Sustainable Development and Energy in the category "Management and initiatives for sustainable development", and the "Inel d'Or" rewarding the innovations in the agricultural sector. These recognitions confirm the relevance of our CSR process and reward the commitment of our co-workers who carry it. Our CSR policy makes up, on one hand, a strong commitment for the future and, on the other, a performance lever with which we would like to associate all stakeholders.

7.1.1 CORPORATE GOVERNANCE

Since 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 at the website: http://www.middlenext.com.

The company's corporate governance complies with all of the Middlenext code recommendations. The evaluation of Board's work was performed in July of 2014. In addition, the Board of directors took note of the information presented under the heading "critical points" which are the fundamental 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 President & CEO, the only executive officer who is also a board member. This report details the three main governance powers, such as defined by the MiddleNext code.

7.1.1.1 THE EXECUTIVE POWER: "THE CHIEF EXECUTIVE OFFICER"

The executive power of the company is ensured by the President & CEO function defined in the company's statutes, whose capacities are described in the board's internal regulations.

Thus, the board's internal regulations provide that the President & CEO is in charge of implementing the group's strategy, whose medium-term orientations are defined in a strategic plan approved by the board. The President & CEO proposes an annual budget for the upcoming full-year period as derived from the strategic plan.

Moreover, the internal regulations list a certain number of transactions for which the President & CEO must obtain the board's prior approval.

The President & Chief executive officer does not cumulate an employment contract and a corporate office and all fixed and variable components of his compensation including departure indemnities, pension plans and the attribution of stock options are described in chapter 5 in the management report on corporate governance. All of these components were approved by the Board of directors on a proposal from the Compensation committee and are a part of good governance practices in accordance with the recommendations R1 and R5 of the MiddleNext code.

Dominique Bamas, President & Chief executive officer, resigned from his position as corporate officer on January 8, 2014. Appointed on March 6, 2013 on an interim basis, Mr. Bamas withdrew in accordance with the agreements that bound him with the Board of directors. The Board of directors appointed Michel Denis as President & CEO for a 4 year mandate ending at the time of the Shareholders' meeting to be held to approve the financial statements for the 2017 period.

7.1.1.2 THE SUPERVISORY POWER: "THE BOARD OF DIRECTORS"

MAKE-UP OF THE BOARD OF DIRECTORS

During the prior full-year period, Joël Goulet, independent board member, submitted his resignation at the board meeting dated April 23, 2014. He was replaced by Dominique Bamas. This replacement was approved by the Shareholders' Meeting of June 5, 2014.

The Board of directors, appointed by the Shareholders' Meetingon June 28, 2013, consists of nine members. The term of the office, as provided for in the by-laws, is 4 years.

The make-up of the board of directors is as follows:

- Marcel Braud, Chairman
- Jacqueline Himsworth, Vice-Chairwoman
- Gordon Himsworth,
- Marcel-Claude Braud,
- Sebastian Braud,
- Christopher Himsworth,
- Dominique Bamas, Independent member,
- Pierre-Henri Ricaud, Independent member,
- Agnès Michel Segalen, Independent member.

The Board of directors includes two women among its members. The board's composition complies with the law n° 2011-103 of January 27, 2011, known as the Copé Zimmermann law, related to the representation of women on boards of directors.

In addition, three members of the board of directors are independent as provided in the eighth recommendation 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.

OPERATION OF THE BOARD OF DIRECTORS

In 2013, the Board of directors updated its internal regulations, which were unanimously approved at the meeting dated January 30, 2014. Those internal regulations, which are not published, define the modalities of the Board's organization and operation. Notably, those regulations describe the Board's mission, its operation and the operation of its specialized committees which were 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 ongoing concern for good corporate governance. These principles revolve around the duties of diligence, independence, transparency and confidentiality.

During the year 2014, the Board of directors met 11 times. Throughout the year, the group's business, strategic direction and projects in process were reviewed. In 2014, particular attention was provided to the group's new strategy, especially regarding the acceleration of its development, the consolidation of its leadership and the strengthening of its financial position.

Board meetings were convened by the Chairman and held at the headquarters or, in exceptional circumstances, via a secure telephone line.

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 2014 was 96%.

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.L.823-17 of the French Commercial code.

The directors are compensated in the form of presence 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 an employment contract. The details for the total of all compensation are provided in Chapter 5 of the management report on corporate governance.

In accordance with its internal regulations and pursuant to recommendation R15 of the MiddleNext code, the Board conducted an internal assessment of its operation. Each board member presented his or her assessment on the basis of a questionnaire provided by the MiddleNext corporate governance code. The evaluation related to the Board's operation and its committees regarding their preparation, their conduct and their follow-up, all with the objective of monitoring the implementation of the improvement points identified in 2011. These contributions were analysed and summarized by an independent board member. Various exchanges during the board meetings of March 10 and July 17, 2014 led to an action plan which received the unanimous approval of the Board of directors and the Executive management for the items concerning them.

THE 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, Agnès Michel-Segalen and Pierre-Henri Ricaud with Sebastien Braud as an alternate member.

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.

The Audit committee met seven times. Each meeting was 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 2014, 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 manager of internal audit and control. During its meetings, it met regularly with the general secretary and CFO, mainly related to financial and tax issues and financing tools.

The Compensation committee

Until the Shareholders' Meetingdated April 23, 2014, the Compensation committee consisted of Joël Goulet, Chairman, Sebastien Braud and Christopher Himsworth, Pierre-Henri Ricaud having served as an alternate member.

During the meeting dated April 23, 2014, Dominique Bamas was appointed to be a member of the Compensation committee following the resignation of Joel Goulet. The members of the Compensation committee appointed Dominique Bamas as Chairman.

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 overseeing their application; ensuring compliance with the transparency requirements of the company on such compensation, especially in 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 informed of the compensation policy in force within the group for the various employee categories.

The Compensation committee met four times during the year 2014 and its work has been the subject of reports to the Board of directors.

The Strategic committee

Until the board meeting of April 23, 2014, the Strategic Committee consisted of Marcel Braud, Chairman, Marcel-Claude Braud, Joël Goulet and Gordon Himsworth, Christopher Himsworth and Sebastien Braud being alternate members.

At its meeting dated April 23, 2014, the board nominated Dominique Bamas as a full member of the strategic Committee, replacing Joel Goulet, who resigned.

Its main functions are to assist the Board in the definition of 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 2014.

The Development committee

The Development committee consists of Marcel Braud and Jacqueline Himsworth. Sebastian Braud and Gordon Himsworth serve as alternate members.

The committee did not meet in 2014. Marcel Braud and Jacqueline Himsworth are ex officio members of the Development Committee. They may convene a meeting when deemed necessary to study specific topics in preparation for 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, the report's layout corresponds to the reference layout in order to ensure readability.

* The AMF's supplementary report on corporate governance, executive compensation and internal control for small and mid-cap companies with reference to the MiddleNext's corporate governance code.

7.1.2.1 INTERNAL CONTROL OBJECTIVES

The internal control 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, 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 ORGANISATION

The internal control system is based on a clearly defined organization. This organization was adapted to the group's new ambitions during the year 2014 with the combination of the RTH and IMH divisions into one division, the MHA division - Material Handling & Access, the creation of the Services & Solutions division and the continuation and development of the CEP division - Compact Equipment Products. The Executive committee, whose composition is described in detail in this management report, meets every week with the President & CEO. 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 each sales region.

In 2014, the group named Guillaume Rabel-Suquet to the position of Director of Human Resources, thereby replacing Jerome Tertrais.

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 system is driven by the Manager of internal control and auditing, reporting hierarchically to the group's Chief financial officer and functionally to the Audit Committee.

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 executive management, all of the group's legal entities produce a budget which is reviewed by the associated financial and operational management.

The group then performs a consolidation by division which is presented by the President of each division to the Executive committee, who themselves oversee the priorities and objectives of each division, prior to presentation to the Audit committee and, to the Board of directors for approval.

DEVELOPMENT 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 2014 financial statements of the parent company and the group were prepared by the financial management, with the assistance of a chartered accountant for the corporate financial statements. They were reviewed by the CFO and the CEO prior to approval 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 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.

The Statutory auditors presented the summary of their findings to the Audit committee on February 27, 2015. The Board of directors met on March 4, 2015 to approve Manitou's corporate and consolidated financial statements as at December 31, 2014.

7.1.2.4 RISK MANAGEMENT

The risk management process was strengthened by the mapping of the group's major risks as at year-end 2013.

That exercise, which was performed by the manager of audit and internal control, permitted the 25 executives in the most significant positions within group to consider the key risks facing the entire group 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, which was shared with the Audit Committee, demonstrated a positive trend in the perceived operational risks since the previous exercise which was performed in 2010. The main risks faced by the Manitou group are described in detail in the section entitled "Risk factors and risk management" in the management report.

Following the work performed on the mapping of risks, management control methods for risk management were implemented in 2014 which included the identification of coverage policies carried by members of the Executive committee for major risks. A presentation of the evolution of these action plans was made to the audit committee on January 23, 2015.

7.1.2.5 THE CONTROL ACTIVITIES

Internal audits are conducted according to an audit plan which is established by the audit committee.

Eight internal audits were performed in 2014:

– at the Spanish subsidiary Manitou Ibericas on the sales and marketing, logistics and administrative & financial processes,

– on the sales process at Manitou BF,

– on legal affairs at Manitou BF,

– on the human resources process at Manitou BF,

– on the sales and cash management processes at Manitou Americas in the United States,

– on the sales and marketing, logistics and administrative & financial processes at Manitou UK in the United Kingdom,

– on the sales and marketing, logistics and administrative & financial processes at Manitou Vostok in Russia,

– on the sales and marketing, logistics and administrative & financial processes at Manitou Bénélux in Belgium.

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 2014. They were presented to the Audit committee, permitting it to monitor the progress on the implementation of internal controls. It revealed that the rate of partial or total implementation of action plans following the audit recommendations provided prior to 2011 was nearly 99% and the rate of partial or total implementation of action plans following the audit recommendations provided between 2011 and 2013 was nearly 66%. This is the result of the special attention provided to the implementation of action plans as well as the realization of specific audit missions related to the follow- up and implementation of the audit recommendations.

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 shared 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.

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, 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 2014.

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 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, 30 March 2015

The Statutory auditors

French original signed by

RSM Ouest	**Deloitte & Associés**
Nicolas Perenchio	Thierry de Gennes

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THE FINANCIAL STATEMENTS

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MANITOU GROUP

8.1 THE FINANCIAL STATEMENTS

8.1.1 STATEMENTS OF COMPRENHENSIVE INCOME

1.1 CONSOLIDATED INCOME STATEMENT

In thousands of euros		31.12.2013	31.12.2014
Sales	Note 19	1,176,414	1,246,456
Cost of goods & services sold		-1,013,655	-1,059,646
Research & development costs		-24,142	-22,723
Selling, marketing and service expenses		-72,938	-72,413
Administrative expenses		-40,798	-40,016
Other operating income and expenses	Note 24	-3,650	-3,479
RECURRING OPERATING INCOME		**21,231**	**48,179**
Impairment of assets	Note 20	-2,200	-709
Other non-recurring income and expenses	Note 20	-2,596	-1,572
OPERATING INCOME		**16,435**	**45,898**
Share of profits of associates	Note 7	1,593	1,649
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES		**18,029**	**47,547**
Financial income		4,072	4,219
Financial expenses		-13,931	-11,747
Net financial expenses	Note 25	**-9,860**	**-7,528**
CONSOLIDATED INCOME (LOSS) BEFORE TAX		**8,169**	**40,018**
Income taxes	Note 18	-7,414	-9,540
NET INCOME (LOSS)		**755**	**30,478**
Attributable to equity holders of the Parent		672	**30,331**
Attributable to minority interests		83	**147**

EARNINGS PER SHARE (IN EUROS)

		31.12.2013	31.12.2014
Net income (loss) attributable to the equity holders of the Parent	Note 1	0,02	0,77
Diluted earnings per share	Note 1	0,02	0,77

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE & COMPREHENSIVE INCOME

In thousands of euros	31.12.2013	31.12.2014
INCOME (LOSS) FOR THE YEAR	755	30,478
Adjustments in the fair value of available-for-sale financial assets	1,070	92
Of which booked to equity		92
Of which transferred to income of the year	1,070	
Translation differences arising on foreign activities	-11,358	23,692
Attributable to equity holders of the Parent	-11,261	23,673
Attributable to minority interests	-96	19
Interest rates hedging instruments	1,013	-1,054
Attributable to equity holders of the Parent	1,013	-1,054
Attributable to minority interests	0	0
Items that will be reclassified to profit or loss in subsequent periods	-9,275	22,730
Actuarial gains (losses) on defined benefits plans	3,886	-10,863
Attributable to equity holders of the Parent	3,887	-10,857
Attributable to minority interests	-1	-6
Items that will not be reclassified to profit or loss in subsequent periods	3,886	-10,863
OTHER COMPONENTS OF COMPREHENSIVE INCOME	-5,389	11,867
COMPREHENSIVE INCOME	-4,634	42,345
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	-4,620	42,185
ATTRIBUTABLE TO MINORITY INTERESTS	-14	160

The other components of comprehensive income and loss are reported net of the associated taxes. The tax impact may be split as follows:

In thousands of euros	31.12.2013	31.12.2014
Items reclassified to comprehensive income	-529	-501
Items not reclassified to comprehensive income	-2,134	-4,720
Total tax impact	-2,663	-5,221

8.1.2 STATEMENT OF FINANCIAL POSITION

ASSETS

In thousands of euros	Notes	31.12.2013	Net amount 31.12.2014
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	Note 5	127,162	130,303
INVESTMENT PROPERTY		3,000	
GOODWILL	Note 4	294	294
INTANGIBLE ASSETS	Note 4	26,314	24,552
INVESTMENTS IN ASSOCIATES	Note 7	23,005	23,445
NON-CURRENT FINANCE CONTRACT RECEIVABLES	Note 11	2,312	1,917
DEFERRED TAX ASSETS	Note 18	18,643	27,175
NON-CURRENT FINANCIAL ASSETS	Note 8	5,540	6,372
OTHER NON-CURRENT ASSETS		475	253
		206,745	**214,311**
CURRENT ASSETS			
INVENTORIES & WORK IN PROGRESS	Note 9	330,840	413,313
TRADE RECEIVABLES	Note 10	221,519	238,665
CURRENT FINANCE CONTRACT RECEIVABLES	Note 11	3,340	1,877
OTHER RECEIVABLES			
Current income tax		10,046	10,293
Other receivables	Note 13	24,896	21,195
CURRENT FINANCIAL ASSETS	Note 8	1,462	841
CASH AND CASH EQUIVALENTS	Note 8	34,601	22,930
		626,704	**709,114**
TOTAL ASSETS		**833,450**	**923,426**

LIABILITIES & EQUITY

In thousands of euros		31.12.2013	Net amount 31.12.2014
Share capital	Note 14	39,549	39,549
Share premiums		44,645	44,645
Treasury shares		-9,393	-8,989
Consolidated reserves		362,744	351,179
Translation differences		-24,966	-1,302
Net profit (loss) – Equity holder of the parent		672	30,341
SHAREHOLDERS' EQUITY		**413,251**	**455,424**
MINORITY INTERESTS		**-33**	**-15**
TOTAL EQUITY		**413,218**	**455,408**
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS	Note 15	34,068	51,690
OTHER NON-CURRENT LIABILITIES		2,477	12,896
DEFERRED TAX LIABILITIES	Note 18	1,257	130
NON-CURRENT FINANCIAL LIABILITIES			
Loans and other financial liabilities	Note 8	92,038	95,332
		129,840	**160,047**
CURRENT LIABILITIES			
CURRENT PROVISIONS	Note 15	21,516	19,945
TRADE ACCOUNTS PAYABLE	Note 17	169,196	174,225
OTHER CURRENT LIABILITIES			
Current income tax	Note 18	774	4,491
Other liabilities		70,352	83,342
CURRENT FINANCIAL LIABILITIES	Note 8	28,556	25,967
		290,392	**307,970**
TOTAL EQUITY & LIABILITIES		**833,450**	**923,426**

8.1.3 CONSOLIDATED SHAREHOLDERS' EQUITY AT 31.12.2014

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

In thousands of euros	Share capital	Share pre-miums	Treasury shares	Reserve	Group net profit	Translation differences	Reva-luation surplus	TOTAL SHARE-HOLDERS' EQUITY (Group share)	Minority interests	TOTAL EQUITY
Balance at 31.12.2012	**39,549**	**44,645**	**-9,280**	**327,927**	**45,369**	**-13,705**	**908**	**435,413**	**10**	**435,424**
Income for the year 2012				45,369	-45,369			,		,
Income 2013					672			672	83	755
Dividends				-17,652				-17,652	-203	-17,855
Change in translation differences						-11,261		-11,261	-96	-11,358
Valuation differences under IFRS				2,422				2,422		2,422
Treasury shares			-113					-113		-113
Actuarial (gain) losses on employee benefits				3,887				3,887	-1	3,886
Change in consolidation scope & other				-117				-117	33	-83
Shareholders' agreements								,	140	140
Balance at 31.12.2013	**39,549**	**44,645**	**-9,393**	**361,836**	**672**	**-24,966**	**908**	**413,251**	**-33**	**413,218**
Income for the year 2013				672	-672		,	,	0	0
Income 2014					30,331			30,331	147	30,478
Dividends				0				0		0
Change in translation differences						23,673		23,673	19	23,692
Valuation differences under IFRS				-1,375				-1,375		-1,375
Treasury shares			404					404		404
Actuarial (gain) losses on employee benefits				-10,857				-10,857	-6	-10,863
Change in consolidation scope & other				-5	10	-9		-4		-4
Shareholders' agreements								,	-142	-142
Balance at 31.12.2014	**39,549**	**44,645**	**-8,989**	**350,271**	**30,341**	**-1,302**	**908**	**455,424**	**-15**	**455,408**

8.1.4 CASH FLOW STATEMENT AS AT 31.12.2014

In thousands of euros		31.12.2013	31.12.2014
INCOME (LOSS) FOR THE YEAR		**755**	**30,478**
Less share of profits of associates		-1,593	-1,649
Elimination of income and expense with no effect on operating cash flow and not linked to operating activities			
+	Amortisation and depreciation	31,959	31,781
-	Provisions and impairment	-7,019	-9,988
-	Change in deferred taxes	-371	-3,086
+/-	Income (loss) from non-current asset disposal	951	-183
-	Change in capitalized leased machines	-2,338	-6,176
+/-	Other	1,258	-771
EARNINGS BEFORE DEPRECIATION AND AMORTISATION		**23,602**	**40,407**
Changes in cash flows from operating activities			
+/-	Change in inventories	-25,470	-67,171
+/-	Change in trade receivables	-3,589	-1,444
+/-	Change in finance contracts receivables	9,296	2,890
+/-	Change in other operating receivables	7,208	3,362
+/-	Change in trade accounts payable	26,943	3,095
+/-	Change in other operating liabilities	3,626	18,710
+/-	Changes in taxes payable and receivable	-4,662	3,464
+/-	Change in liabilities linked to finance contracts receivables	-6,086	-1,691
CASH FLOW FROM OPERATING ACTIVITIES		**30,868**	**1,622**
Changes in cash flows from investing activities			
+	Proceeds from sale of property, plant and equipment	5,613	3,517
-	Purchase of intangible assets, property, plant and equipment (excl. rental fleet)	-25,334	-19,543
-	Decrease (increase) of other financial assets	-1,867	-117
-	Acquisition of subsidiaries or minority interests	-82	0
+	Dividends received from associates	0	1,677
CASH FLOW FROM INVESTING ACTIVITIES		**-21,670**	**-14,466**
Changes in cash flows from financing activities			
-	Dividends paid	-17,855	0
+/-	Purchase / sale of treasury shares	0	139
+/-	Change in financial liabilities	9,730	2,297
	Of which loans taken during the year	*89,378*	*20,991*
	Of which loans repaid during the year	*-79,648*	*-18,695*
+/-	Other	22,180	668
CASH FLOW FROM FINANCING ACTIVITIES		**14,056**	**3,104**
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS		**23,253**	**-9,740**
Cash, cash equivalents and bank overdrafts at beginning of the year		-2,489	21,279
Exchange gains (losses) on cash and bank overdrafts		515	342
CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR		**21,279**	**11,880**
CURRENT FINANCIAL ASSETS (REMINDER)		**1,462**	**841**

The cash flows from financing activities were including in 2013 €21.1m for the sale of a tax carry back asset.

8.1.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2014

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 previously been listed in compartment "A", have been listed in compartment "B" of the NYSE Euronext Paris since January 21, 2009.

The parent company's headquarters 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 in the Corporate and Trade Registry in Nantes under the following number: 857 802 508 RCS Nantes – SIRET: 857 802 508 00047 – APE Code: 292 D – NAF Code: 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 December 31, 2014 amounted to 13,671,707, representing 34.57% of the share capital.

FINANCIAL INFORMATION RELATED TO THE CLOSING

The Manitou group's consolidated financial statements were approved by the Board of Directors on March 4, 2015.

CHANGES IN THE CONSOLIDATION SCOPE

During the 2014 period, the group continued the simplification of its structure through the liquidation of Manitou Canada Inc., a dormant company. In addition, the group is now implanted in the United Arab Emirates following the creation of a subsidiary in Dubai, Manitou Middle East, which is 100% owned.

NOTE 1 – ACCOUNTING PRINCIPLES

NOTE 1.1 - STANDARDS AND INTERPRETATIONS APPLIED

The financial statements of the Manitou group at December 31, 2014 were prepared according to IFRS as adopted by the European Union at the closing date.

NEW STANDARDS FOR WHICH APPLICATION WAS REQUIRED FOR THE 2014 FINANCIAL STATEMENTS

Impact of the application of IFRS 10 and IFRS 11 as of January 1, 2014.

IFRS 11 defines the notions of joint operations and joint ventures. Partnerships which qualify as joint operations will be accounted for based on the level of the proportion of assets, liabilities, income and expenses controlled by the group. Partnerships which qualify as joint ventures will be consolidated using the equity method as they only provide control over the net assets.

IFRS 10 redefines the notion of exclusive control on the basis of substantive rights.

As all of the existing joint ventures within the Manitou group are consolidated using the equity method, the application of IFRS 11 has no impact on the group's financial statements.

The other standards required on January 1, 2014 have no impact on the group's financial statements.

All of the IFRS standards issued by the IASB and IFRIC for which application was required in the fiscal year beginning January 1, 2014 are the same as those adopted by the European Union and for which application was required in the European Union, with the exception of:

– IAS 39, which the European Union only partially adopted.

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 December 31, 2014 for which the application was not required in 2014.

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 statement items placing reliance upon estimates and judgments are the following:

– the recoverable value of intangible and tangible assets as well as their expected useful life (see notes 1.7 to 1.9),

– provisions, especially provisions for warranties and provisions for litigation (see note 1.17),

– employee benefits (see note 1.18),

– the valuation of stock options (see note 1.16),

– the treatment of agreements with minority shareholders (see note 1.12),

– the fair value of receivables from sales financing (see note 1.11),

– deferred tax assets (see note 1.19).

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.

With the exception of Manitou Finance France SAS, Manitou Finance Ltd, 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 closed at December 31, 2014.

Manitou has no special purpose entities. Moreover, no deconsolidation was performed in the year 2014 or in the prior year periods.

NOTE 1.4 - PRESENTATION OF FINANCIAL STATEMENTS: INCOME STATEMENT BY FUNCTION

The presentation of the income statement by function has the objective of:

– rendering the financial statements more easily readable and more familiar to the operating staff,
– using a single indicator for performance measurement,
– rendering financial information more accessible to international managers and investors.

In 2014, income from the companies consolidated using the equity method for which activity is an extension of group operations was reclassified below operating income in the aggregate indicator “Operating income including income from affiliates”. This reclassification allows, among other, to include the group’s portion of income from the financing companies of Manitou Finance which act as an extension of the newly created Services & Solutions division for which one of the businesses activities is the development of sales financing solutions.

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 accessories, 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 amortization 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. 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 amortization 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, etc…). The amortization 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.

Operating income

Operating income includes all recurring and non-recurring items described in the prior section.

Operating income including net income from associates

The new aggregate line item entitled “Operating income including income from associates” includes operating income and the share of profits in associated companies.

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 IFRS 3 (Revised).

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. Amortization 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.

REVALUATION: 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 amortizable amount is the difference between the cost of the asset and its residual value which is considered to be zero for all amortisable assets.

The main amortisation 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 RECORDING

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 high 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 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;

– improvements to land and buildings: 10 years;

– industrial equipment: between 3 and 7 years depending on the type of equipment;

– industrial tooling and molds: 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 RENTED OR PROVIDED FOR 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 goodwill, 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 accessories, as well as the financing for sales of handling equipment to end-users. The Cash Generating Unit (or CGU) is 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 expected useful value, whichever is greater. The expected useful value 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 9.27% for the 2014 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 production cost (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 - SHARES AVAILABLE FOR SALE

Shares available for sale are shares of investments in affiliate companies at which Manitou has neither control nor significant influence and are classified as “Shares 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 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 at 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 – PRINCIPLES OF VALUATIONS AT FAIR VALUE

The fair value of all financial assets and liabilities is determined at the end of either the recording date or at the closing date of disclosure in the notes to the financial statements (see note 8).

Fair value is determined:

– either based on market prices on an active market (level 1);

– or based on internal valuation methods using standard mathematical calculations which include available market data (forward contracts, yield curves…) and for which the valuations are adjusted to reflect the trend in the group or counterparty risks (level 2);

– or, from internal valuation techniques which, in the absence of observable inputs, integrate parameters estimated by the group (Level 3).

NOTE 1.14 - DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

1.14.1 - 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.

1.14.2 - 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.

1.14.3 - 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. As a result:

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 1.15 - 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 1.16 - SHARE PURCHASE OPTIONS

MANITOU BF SHARE PURCHASE OPTIONS

In accordance with IFRS 2, share purchase 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 share purchase 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 14.4 of the consolidated financial statements.

The fair value thus determined is taken into account on a linear basis over the vesting period (4 years).

No new attribution was made during the period.

NOTE 1.17 - 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 / SEVERANCE INDEMNITIES

The estimated costs of restructuring measures and severance indemnities 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 1.18 - POST-EMPLOYMENT 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 revised 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 16 of the notes to the consolidated financial statements.

Actuarial gains and losses generated by changes in assumptions were recorded in reserves at December 31, 2014.

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 1.19 - TAXES

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 recorded. 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 1.20 - 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 was reported as income in the full-year period.

NOTE 1.21 - OPERATING SEGMENT INFORMATION

In order to implement this new roadmap, the group reorganized itself in three divisions, two product divisions and a service division, effective as of July 1, 2014:

The MHA - Material Handling and Access product division manages the French and Italian production sites manufacturing telehandlers, rough-terrain and industrial forklifts, truck-mounted forklifts and aerial working platforms. Its mission is to optimize the development and production of these equipments branded Manitou.

The CEP - Compact Equipment Products division optimizes the development and production of skidsteer loaders, track loaders, articulated loaders and telehandlers branded Gehl and Mustang.

The S&S - Services & Solutions, Service division includes service activities to support sales (financing approaches, warranty contracts, maintenance contracts, full service, fleet management, etc.), after-sales (parts, technical training, warranty management, fleet management, etc.) and services to end users (geo-location, user training, advice, etc.). The mission of the division is to develop service offers to meet the needs of each of our customers in our value chain and to increase resilient sales revenue for the group.

The three divisions design and assemble products and services which are distributed by the Sales and Marketing organization to dealers and key accounts in 120 countries.

In accordance with IFRS 8, the information by operating segment 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
- Operating income including income from affiliates

which are the performance indicators used by the divisions. A proforma 2013 income statement for the MHA, CEP and S&S divisions is presented in note 3 of the notes to the consolidated financial statements.

NOTE 1.22 - 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. It is reported net of value-added taxes, returns, discounts and allowances and deductions related to intragroup 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 1.23 - 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 – CONSOLIDATION SCOPE AT 31.12.2014

PARENT COMPANY

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

SUBSIDIARIES

FULLY CONSOLIDATED SUBSIDIARIES

%	Subsidiary	%	Subsidiary
100%	**MANITOU AMERICAS Inc.** Share capital 361 501 000 USD WEST BEND, Wisconsin, United States	100%	**GEHL POWER PRODUCTS, Inc** Share capital 100 USD YANKTON, South-Dakota, United States
99,5%	**MANITOU BRASIL MANIPULACAO de CARGAS LTDA.** Share capital 2 541 000 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 Kingdoom	100%	**PLEDGEMEAD** Share capital 10 000 GBP VERWOOD, United Kingdom
100%	**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 SL** 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 241 890 EUR 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		
100%	**MANITOU MIDDLE EAST FZE** Share capital 1 000 000 AED JEBEL ALI, United Arab Emirates		

ASSOCIATES

%	Associate
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.

CHANGES IN CONSOLIDATION SCOPE

During the 2014 period, the group continued the simplification of its structure through the liquidation of Manitou Canada Inc., a dormant company. In addition, the group is now implanted in the United Arab Emirates following the creation of a subsidiary in Dubai, Manitou Middle East, which is 100% owned.

NOTE 3 – INFORMATION ON OPERATING SEGMENTS

In June 2014 during the Shareholders' Meeting Michel Denis presented his new roadmap : "The group plans to remain the key player in its target markets, to develop service offerings which set the reference standards in the market and to reinforce its market shares. The service activity we are structuring and which is expected, in time, to represent 25% of the group's revenues (versus around 17% currently) should contribute to this. We shall be working in special partnership with our dealers, and shall be developing dedicated key account approaches. We are looking to build structured and sustainable organic growth which outstrips that of the market, enabling the generation of an operating profit of between 6% and 8%. To achieve these objectives, the immediate priorities are to listen more to customers, anticipate and plan the future via our products and services, and establish with our teams a more responsive, entrepreneurial and efficient organization."

In order to implement this new roadmap, the group reorganized itself in three divisions, two product divisions and a service division, effective as of July 1, 2014:

The MHA - Material Handling and Access product division manages the French and Italian production sites manufacturing telehandlers, rough-terrain and industrial forklifts, truck-mounted forklifts and aerial working platforms. Its mission is to optimize the development and production of these equipments branded Manitou.

The CEP - Compact Equipment Products division optimizes the development and production of skidsteer loaders, track loaders, articulated loaders and telehandlers branded Gehl and Mustang.

The S&S - Services & Solutions, Service division includes service activities to support sales (financing approaches, warranty contracts, maintenance contracts, full service, fleet management, etc.), after-sales (parts, technical training, warranty management, fleet management, etc.) and services to end users (geo-location, user training, advice, etc.). The mission of the division is to develop service offers to meet the needs of each of our customers in our value chain and to increase resilient sales revenue for the group.

The three divisions design and assemble products and services which are distributed by the Sales and Marketing organization to dealers and key accounts in 120 countries.

CONSOLIDATED INCOME STATEMENT BY DIVISION

31.12.2014 *In thousands of euros*	**MHA** Material Handling and Access	**CEP** Compact Equipment Products	**S&S** Services & Solutions	**Total**
Sales	799,792	239,897	206,767	1,246,456
Net cost of goods & services sold	-700,972	-197,271	-161,403	-1,059,646
Research and development costs	-18,611	-4,112		-22,723
Selling, marketing and service expenses	-34,823	-10,270	-27,320	-72,413
Administrative expenses	-23,072	-10,837	-6,107	-40,017
Other operating income and expense	-1,975	-595	-909	-3,479
RECURRING OPERATING INCOME	**20,339**	**16,813**	**11,027**	**48,179**
Impairment of assets	-465	-131	-113	-709
Other non-recurring income and expense	-1,820	364	-117	-1,572
OPERATING INCOME	**18,053**	**17,046**	**10,797**	**45,898**
Share of profits of associates	-422		2,071	1,649
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**17,631**	**17,046**	**12,869**	**47,547**

31.12.2013 (proforma) *In thousands of euros*	**MHA** Material Handling and Access	**CEP** Compact Equipment Products	**S&S** Services & Solutions	**Total**
Sales	771,181	205,476	199,756	1,176,414
Net cost of goods & services sold	-683,025	-170,014	-160,615	-1,013,655
Research and development costs	-20,226	-3,916		-24,142
Selling, marketing and service expenses	-35,497	-9,502	-27,939	-72,938
Administrative expenses	-23,476	-10,627	-6,696	-40,798
Other operating income and expense	-3,488	444	-606	-3,650
RECURRING OPERATING INCOME	**5,469**	**11,862**	**3,900**	**21,231**
Impairment of assets	-2,133	-38	-29	-2,200
Other non-recurring income and expense	-1,425	-551	-620	-2,596
OPERATING INCOME	**1,911**	**11,273**	**3,251**	**16,435**
Share of profits of associates	-209		1,803	1,593
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**1,702**	**11,273**	**5,053**	**18,028**

The spare parts and accessories distribution business, which is integrated within the Services & Solutions division , benefits from services provided by the MHA and the CEP divisions (R&D, qualification of parts, qualification of suppliers), the already existing basis of sold units, as well as the brand name recognition built by those divisions.

In order to compensate for all of these benefits, the group's divisional reporting includes fees from the Services & Solutions division to the MHA and CEP divisions. That fee is calculated based on comparable indicators of external independent spare parts distributors for which the median operating income over a five year period amounted to 4.25% and 4.87% in Europe and the US, respectively, the main regions in which the S&S division operates. That fee is included in the line item «Net cost of goods and services sold» of each division, which therefore includes the charges related to goods and services sold plus or minus the interdivision fees.

Assets, cash flows or even liabilities are not allocated to the individual divisions, as the operating segment information used by the group's management does not incorporate those various items.

SALES BY DIVISION AND GEOGRAPHIC REGION

In thousands of euros	Southern Europe	Northern Europe	Americas	APAM	31.12.2014 TOTAL
MHA	284,092	373,996	51,015	90,690	**799,792**
CEP	7,060	27,028	184,906	20,902	**239,897**
S&S	77,385	63,204	41,468	24,710	**206,767**
TOTAL	**368,537**	**464,228**	**277,389**	**136,302**	**1,246,456**

Proforma In thousands of euros	Southern Europe	Northern Europe	Americas	APAM	31.12.2013 TOTAL
MHA	307,196	319,858	51,786	92,341	771,181
CEP	6,731	27,078	155,494	16,173	205,476
S&S	78,990	56,607	40,080	24,079	199,756
TOTAL	**392,917**	**403,543**	**247,360**	**132,594**	**1,176,414**

CONSOLIDATED INCOME STATEMENT BY DIVISION RTH, IMH, CE

It should be noted that group management reporting was also performed based on the pre-existing RTH, IMH and CE divisional structure up until the implementation of the MHA, CEP and S&S divisions.

RTH Division (Rough Terrain Handling): all activities related to the assembly and distribution of rough handling equipment.

IMH Division (Manitou Industry): all activities related to the assembly and distribution of industrial handling and warehousing equipment.

CE Division (Compact Equipment): all activities related to the assembly and distribution of compact equipment.

31.12.2014 In thousands of euros	**RTH** Rough Terrain Handling	**IMH** Industrial Material Handling	**CE** Compact Equipment	**Total**
Sales	852,670	115,421	278,365	1,246,456
Cost of goods & services sold	-728,071	-103,344	-228,231	-1,059,646
Research and development costs	-16,193	-2,419	-4,111	-22,723
Selling, marketing and service expenses	-48,812	-9,349	-14,253	-72,414
Administrative expenses	-23,682	-3,795	-12,540	-40,017
Other operating income and expense	-2,574	-96	-809	-3,479
RECURRING OPERATING INCOME	**33,340**	**-3,582**	**18,421**	**48,179**
Impairment of assets	-488	-67	-154	-709
Other non-recurring income and expense	-1,411	-516	354	-1,572
OPERATING INCOME	**31,440**	**-4,166**	**18,622**	**45,898**

31.12.2013 In thousands of euros	**RTH** Rough Terrain Handling	**IMH** Industrial Material Handling	**CE** Compact Equipment	**Total**
Sales	810,486	123,797	242,131	1,176,414
Cost of goods & services sold	-705,194	-109,674	-198,787	-1,013,655
Research and development costs	-17,874	-2,352	-3,916	-24,142
Selling, marketing and service expenses	-48,002	-10,297	-14,639	-72,938
Administrative expenses	-23,898	-4,620	-12,280	-40,798
Other operating income and expense	-3,439	-694	483	-3,650
RECURRING OPERATING INCOME	**12,080**	**-3,841**	**12,992**	**21,231**
Impairment of assets	-1,068	-1,089	-43	-2,200
Other non-recurring income and expense	-3,108	1,124	-612	-2,596
OPERATING INCOME	**7,904**	**-3,806**	**12,337**	**16,435**

NOTE 4 – GOODWILL AND INTANGIBLE ASSETS

NOTE 4.1 - CHANGE IN NET BOOK VALUE

In thousands of euros	31.12.2013	Additions	Removals	Changes in scope & other	Translation differences	Gross amount 31.12.2014
Goodwill	**58,594**				**8,488**	**67,082**
Development costs	37,190	3,654			1,125	41,969
Trademarks	23,204				3,153	26,357
Other intangible assets	59,133	1,992	-86		3,502	64,540
Total intangible assets	**119,526**	**5,645**	**-86**		**7,780**	**132,866**

In thousands of euros	31.12.2013	Increases	Decreases	Changes in scope & other	Translation differences	Amortization and impairment 31.12.2014
Goodwill	**-58,300**				**-8,488**	**-66,788**
Development costs	-20,732	-4,557			-332	-25,621
Trademarks	-23,204				-3,153	-26,357
Other intangible assets	-49,277	-3,818	81		-3,322	-56,336
Total intangible assets	**-93,212**	**-8,375**	**81**		**-6,808**	**-108,314**

In thousands of euros	31.12.2013	Net amount 31.12.2014
Goodwill	**294**	**294**
Development costs	16,458	16,348
Trademarks		,
Other intangible assets	9,856	8,205
Total intangible assets	**26,314**	**24,552**

The main investments in intangible assets in 2014 were related to development costs of €3.7 million and information systems of €2.0 million.

As a reminder, impairment losses on intangible assets excluding goodwill at December 31, 2014 were as follows:

In thousands of euros	31.12.2014
Development costs	-1,114
Trademarks	-26,357
Other intangible assets	-25,602
Total intangible assets	**-53,073**

NOTE 4.2 - DETAIL OF NET GOODWILL AT YEAR-END

In thousands of euros	31.12.2013	Net amount 31.12.2014
Manitou Portugal SA	71	71
Manitou Italy (ex OMCI)	174	174
Other	49	49
Total	**294**	**294**

NOTE 4.3 - IMPAIRMENT OF GOODWILL

The primary criteria used in preparing impairment tests are described in note 6.

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	31.12.2013	Purchases	Divestitures	Changes in scope & other	Translation differences	Gross amount 31.12.2014
Land	23,820	1,190		500	517	26,026
Buildings	133,969	1,381	-853	1,461	4,285	140,242
Plant and equipment	140,380	4,806	-1,593	1,305	3,886	148,784
Other tangible assets	56,982	10,970	-1,419	-5,993	1,107	61,647
Property, plant and equipment in process	412	5,233		-2,006	349	3,988
Total	**355,563**	**23,579**	**-3,864**	**-4,733**	**10,144**	**380,688**

In thousands of euros	31.12.2013	Increases	Decreases	Changes in scope & other	Translation differences	Amortization and impairment 31.12.2014
Land	-5,917	-418			-85	-6,420
Buildings	-66,831	-6,661	851	-79	-1,429	-74,149
Plant and equipment	-113,406	-10,735	1,567		-2,885	-125,459
Other tangible assets	-42,246	-6,214	1,271	3,732	-899	-44,357
Property, plant and equipment in process						
Total	**-228,400**	**-24,027**	**3,688**	**3,653**	**-5,299**	**-250,385**

In thousands of euros	31.12.2013	Net amount 31.12.2014
Land	17,903	19,606
Buildings	67,138	66,093
Plant and equipment	26,974	23,325
Other tangible assets	14,736	17,291
Property, plant and equipment in process	412	3,988
Total	**127,162**	**130,303**

Investments in 2014 amounted to €23.6 million compared to €22.7 million in 2013. They consisted of €7.7 million of infrastructure, €4.8 million of industrial tooling, €6.2 million of rental fleet equipment and finally, €4.8 million for other projects.

NOTE 6 – IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The group performed impairment tests at December 31, 2014 that did not lead to additional write-offs for impairment nor the reversal of impairment at December 31, 2014.

IMPAIRMENT TESTING OF THE CGU "COMPACT EQUIPMENT"

The net value of the Cash Generating Unit "Compact Equipment" at December 31, 2014 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 groups 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 assets 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 9.27% at December 31, 2014 versus 11.05% at December 31, 2013;

– 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 2014 margin rate (+0.3% in the last year of the plan).

The main assumptions used for determining the weighted average cost of capital are the following:

	31.12.2014	31.12.2013 (reminder)
Risk free rate	1.03%	2.33%
Risk premium	7.50%	7.11%
Targeted tax rate	38.0%	34.4%
Pre-tax cost of debt	Euribor 6M + 200bps	Euribor 6M + 200bps

The cash flow calculated on this basis amounted to €146 million, nearly the total net value of the CGU.

The sensitivity of cash flows to changes in the assumptions related to the discount and growth rates is provided in the table below:

In millions of euros	**Impact on cash flows (millions of euros)**
Discount rate on cash flow +0.5%	-6.0
Perpetual growth rate -0.5%	0.6
Operating income rate of ending value -0.5%	-5.9

As the amount of the depreciation recorded was limited to the fair value of the assets that make up the UGT, changes in related assumptions would have no impact on the depreciation.

NOTE 7 – INVESTMENTS IN AFFILIATES

NOTE 7.1 - CHANGES IN INVESTMENTS IN AFFILIATES

In thousands of euros	**31.12.2013**	Share of net income	Dividends	Change	Monetary inc.	**31.12.2014**
Manitou Finance France SAS	17,226	1,022	-1,677			16,571
Manitou Finance Ltd.	3,788	1,049			303	5,140
Algomat	151				3	154
Hangzhou Manitou Machinery Equipment	1,839	-422			162	1,579
Total	**23,005**	**1,649**	**-1,677**		**468**	**23,445**

NOTE 7.2 - SHARE OF INCOME AND EQUITY IN AFFILIATES

	Financial results		**Shareholders' equity**	
In thousands of euros	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Manitou Finance France SAS	1,022	1,108	4,000	4,655
Manitou Finance Ltd.	1,049	695	3,155	1,803
Algomat			156	153
Hangzhou Manitou Machinery Equipment	-422	-209	327	587
Total	**1,649**	**1,593**	**7,639**	**7,199**

NOTE 7.3 - BREAKDOWN OF KEY INDICATORS BY COMPANY

						31.12.2014
In thousands of euros	Activity	Sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	5,207	2,086	134,985	33,818	49%
Manitou Finance Ltd.	Financing	6,141	2,141	186,825	10,490	49%
Hangzhou Manitou Machinery Equipment	Production	2,607	-845	3,920	3,158	50%

						31.12.2013
In thousands of euros	Activity	Sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	5,676	2,261	144,755	35,156	49%
Manitou Finance Ltd.	Financing	3,618	1,418	113,714	7,731	49%
Hangzhou Manitou Machinery Equipment	Production	3,365	-418	4,695	3,679	50%

NOTE 8 – FINANCIAL INSTRUMENTS

NOTE 8.1 - RECONCILIATION OF BALANCE SHEET LINE ITEMS - ASSETS

				31.12.2014
In thousands of euros	Financial assets available for sale	Loans and receivables	Financial assets at fair value through the income statement	**Total balance**
Non-current financial assets (Note 8.3)	3,716		2,656	6,372
Current financial liabilities (Note 8.4)		64	777	841
Cash and cash equivalents (Note 8.5)			22,930	22,930
Receivables on financing granted to end customers - non-current portion (Note 11)		1,917		1,917
Other non-current assets		253		253
Accounts receivable (Note 10)		238,665		238,665
Receivables on financing granted to end customers - current portion (Note 11)		1,877		1,877
Other current receivables (Note 13)		21,195		21,195
Total	**3,716**	**263,971**	**26,363**	**294,050**

In thousands of euros	Financial assets available for sale	Loans and receivables	Financial assets at fair value through the income statement	31.12.2013 Total balance
Non-current financial assets (Note 8.3)	377		5,163	5,540
Current financial liabilities (Note 8.4)		53	1,409	1,462
Cash and cash equivalents (Note 8.5)			34,601	34,601
Receivables on financing granted to end customers - non-current portion (Note 11)		2,312		2,312
Other non-current assets		475		475
Accounts receivable (Note 10)		221,519		221,519
Receivables on financing granted to end customers - current portion (Note 11)		3,340		3,340
Other current receivables (Note 13)		24,896		24,896
Total	**377**	**252,595**	**41,173**	**294,145**

Financial assets are valued using internal valuation methods (level 2) (see Note 1.13) with the exception of certain cash equivalents (note 8.5) which are valued at their market price on an active market (level 1).

▸ NOTE 8.2 –TRANSFER OF FINANCIAL ASSETS

Financial assets include receivables sold with limited recourse with a gross value of €0.3 million which were reported on the balance sheet at December 31, 2014, 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 €1.4 million at December 31, 2014. A write-off of doubtful accounts was recorded in the amount of €0.1 million at December 31, 2014. No receivables were sold during the 2014 financial period.

In thousands of euros	Receivables sold initially	Balance of receivables at 31.12.2014	Liabilities associated 31.12.2014
Transfer prior to 2009	121,099	46	-118
2009 transfer	23,750	8	-6
2010 transfer	11,687	248	-275
2011 transfer	5,293	34	-41
2014 transfer			
Total	**161,830**	**337**	**-439**

▸ NOTE 8.3 - NON-CURRENT FINANCIAL ASSETS

In thousands of euros	31.12.2013	Change	Fair value	Recycled	Translation differences	Changes in scope & other	31.12.2014
Securities available for sale:							
- Other	377		143		283	2,912	3,716
Derivatives							
Non-current financial assets	5,163	-19			424	-2,912	2,656
Total	**5,540**	**-19**	**143**		**707**	**0**	**6,372**

SAVIM (a wholly owned subsidiary) which was classified as a financial asset available for sale at December 31, 2013, was sold during 2014.

▸ NOTE 8.4 - CURRENT FINANCIAL ASSETS

Marketable securities were valued at their fair value at the closing date:

In thousands of euros	Net amount 31.12.2014	31.12.2013
Derivatives		791
Loans and pre-payments	64	53
Miscellaneous	776	617
Total	**841**	**1,462**

NOTE 8.5 - CASH AND CASH EQUIVALENTS

		Net amount
In thousands of euros	31.12.2014	31.12.2013
Cash & cash equivalents	22,761	34,319
Term deposits and other	20	62
Money market instruments and other	149	220
Total	**22,930**	**34,601**

NOTE 8.6 - RECONCILIATION OF BALANCE SHEET LINE ITEMS - LIABILITIES

The various categories of liabilities at the closing date are shown below. They are described in note 8.7 below.

In thousands of euros	31.12.2014	31.12.2013
Current and non-current financial liabilities (note 8.7)	95,332	92,038
Other non-current liabilities	12,896	2,477
Current financial liabilities (note 8.7)	25,967	28,556
Supplier accounts payable (Note 17)	174,225	169,196
Other current liabilities (note 17)	83,342	70,352
Total	**391,762**	**362,617**

Financial assets are valued using internal valuation methods (level 2) (see note 1.13).

The “Other non-current liabilities” includes €11.8 million of long term supplier credit related to the purchase of “prior generation” engines that will be used in the production process in 2015 and 2016. That debt will be settled at the rate that the engines are used in the production cycle. The short term portion of the “pre-buy” contract is recorded as short-term accounts payable in the amount of €11.8 million.

The purpose of maintaining these “prior generation” engines in inventory is:

– to avoid the stoppage of product offerings in those territories requiring equipment which complies with the new rules as of a certain date or the prior generation equipment covered within the framework of transitional measures;

– to 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;

– to maintain the margins;

– to ensure the highest level of reliability in the engines currently under development by manufacturers.

NOTE 8.7 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The valuation and accounting principles are described in note 1.12.

	Current	
In thousands of euros	31.12.2014	31.12.2013
Short-term financing and bank overdrafts	11,050	13,323
Bank loans	5,938	6,402
Financing lease liabilities	1,353	1,849
Liabilities related to receivables securitised with recourse (note 11)	343	1,572
Derivative liabilities - currency and interest rates	1,849	
Other borrowings	4,861	4,978
Total	25,394	28,125
Shareholder agreements and stock option plan liabilities (cash-settled)	573	431
Total	**25,967**	**28,556**

	Non-current	One to	Over	
In thousands of euros	31.12.2014	five years	five years	31.12.2013
Bank loans	74,249	68,273	5,976	70,820
Financing lease liabilities	1,799	1,799		1,492
Liabilities related to receivables securitised with recourse (note 11)	96	96		444
Liabilities related to interest rate derivatives				
Bonds	19,171	6,877	12,294	19,112
Other borrowings	16	16		170
Total	95,332	77,061	18,270	92,038
Shareholder agreements and stock option plan liabilities (cash-settled)				
Total	**95,332**	**77,061**	**18,270**	**92,038**

The group ensures the majority of its financing needs through bank financing (medium term loans or bank overdrafts). Nonetheless, in 2012, it initiated the diversification of its financing by issuing two bonds, one in 2012 and another in 2013, in the amount of €6.8 and €12.3 million, respectively, at December 31, 2014.

The parent company entered into a new bank financing contract on June 27, 2013 for a period of five years.

8.7.1 - CHARACTERISTICS OF THE PRINCIPLE BANK LOANS

In thousands of euros	31.12.2014 Current	Non-current	Currency	Maturity	Effective rate
Capex Facility	0	15,000	EUR	T2/2018	1.58%
BPI (1)	9	2,988	EUR	T2/2021	2.82%
BPI (2)	6	2,988	EUR	T2/2024	4.41%
Facility A	5,794	17,383	EUR	T2/2018	3.71%
Facility B		35,890	EUR	T2/2019	3.65%
Limited recourse sales	343	96	USD	variable	5.70%

In thousands of euros	31.12.2013 Current	Non-current	Currency	Maturity	Effective rate
Facility A	6,395	22,564	EUR	T2/2018	4.10%
Facility B		48,133	EUR	T2/2019	3.68%
Limited recourse sales	1,572	444	USD	variable	5.70%

The new financing put in place is structured as follows:

- One line for €30 million payable over a 5 year period;
- One line for €50 million payable at maturity;
- One multi-currency line for €30 million which may be used during two years and payable over a three year period (capex);
- One multi-currency "Revolving Credit Facility" for €110 million.

That financing contract includes clauses for ratios (covenants) or "material adverse change*" and for "cross default*" which may limit the potential use of or affect the terms of credit lines. It includes "negative pledge*" clauses accompanied by thresholds and derogations.

Facility	Signatory	Main contractual clauses H2 2013 to H1 2018
Line A/B, Capex Facility and Revolving Facility	Manitou BF	Gearing < 1 Leverage < 3.5 except in certain cases Cap on investments Cap on acquisitions and removals of assets Limits on additional debt Clause on changes in control Dividends are limited to 50% of net income

8.7.2 - BOND FEATURES

In thousands of euros	31.12.2014 Current	Non-current	Currency	Maturity	Effective rate
Bond (Micado 2018)		6,877	EUR	Q4/2018	5.95%
Bond (Micado 2019)		12,294	EUR	Q4/2019	5.35%

The bonds are reimbursable at maturity during the 4th quarter of 2018 and the 4th quarter of 2019 respectively.

8.7.3 - BORROWINGS OUTSTANDING VIS-A-VIS FINANCIAL INSTITUTIONS

The portion of borrowings outstanding vis-à-vis financial institutions can be broken down as follows:

	31.12.2014		31.12.2013	
In thousands of euros	Outstanding authorized	Outstanding used	Outstanding authorized	Outstanding used
Short-term financing and bank overdrafts	44,000	11,050	50,000	13,323
Financing lease borrowings	3,152	3,152	3,341	3,341
Other bank loans				
- Amortisable term loans	97,700	82,698	110,000	80,000
- Revolving credits	110,000		110,000	

▸ NOTE 8.8 - DERIVATIVES

In order to secure a maximize level of interest expense, the group has put in place a direct link between the new financing contracts and interest rate caps. These derivatives are designated as hedges of future cash flows. They were considered to be highly effective at December 31, 2014.

* Terms defined in section 2.2.9 of this document.

The characteristics of the caps and swaps at December 31, 2014 are as follows:

CAP		31.12.2014		
In thousands of euros		Average rate of the CAP	Nominal	Fair value at 31.12.2014
Less than one year	Q2 and Q3 2014	0.280%	75	0
1 to 2 years			0	0

SWAP		31.12.2014		
In thousands of euros		Average rate of the SWAP	Nominal	Fair value at 31.12.2014
Less than one year	Q3 2014	0.156%	50	0
1 to 2 years			0	0

At December 31, 2014, the group also held forward sales contracts to hedge future cash flows of British sterling, Australian dollars, Polish zlotys and South African rand in the amount of €89 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 €1.5 million with - €1.0 million recorded against equity and the value of the forward points itself being recorded in financial income/expense as an expense of €0.5 million.

▸ NOTE 8.9 - ANALYSIS OF SENSITIVITY TO CHANGES IN EXCHANGE RATES

A sensitivity analysis was performed based on outstanding receivables, debt, cash and cash equivalents and financial assets available for sale as of December 31, 2014 for the major 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.

31.12.2014

In thousands of euros

Receivables and debt denominated in foreign currencies Detail by functional currency	AUD/EUR +5%	GBP/EUR +5%	USD/EUR +5%	ZAR/EUR +5%	SGD/EUR +5%	PLN/EUR +5%	RUB/EUR +5%
EUR							
Receivables (AUD, GBP, USD, ZAR)	550	984	543	438	0	121	
Debt (AUD, GBP, USD, ZAR)	-1	-741	-62	0	0	0	
Cash and cash equivalents (AUD, GBP, USD, ZAR)	273	840	242	0	2	9	
Subtotal	823	1,082	722	437	2	130	
USD							
Receivables (EUR)			-733				
Debts (EUR)			454				
Cash and cash equivalents (EUR)			0				
Subtotal			-280				
GBP							
Receivables (EUR)		-73					
Debts (EUR)		0					
Cash and cash equivalents (EUR)		-261					
Subtotal		-334					
ZAR							
Receivables (EUR)				0			
Debts (EUR)				0			
Cash and cash equivalents (EUR)				0			
Subtotal				0			
SGD							
Receivables (EUR)					-298		
Debts (EUR)					536		
Cash and cash equivalents (EUR)					-112		
Subtotal					126		
RUB							
Receivables (EUR)							-59
Debts (EUR)							340
Cash and cash equivalents (EUR)							0
Subtotal							281
Total	**823**	**749**	**443**	**438**	**128**	**130**	**281**

▸ NOTE 8.10 - FINANCIAL RISK MANAGEMENT

Information relating to financial risk management is provided in paragraph 3.1 of the management report.

NOTE 9 – INVENTORIES

Gross amount

In thousands of euros	**31.12.2013**	Changes in scope and reclassifications	Changes	Translation differences	**31.12.2014**
Raw materials	117,791	3,740	48,380	4,481	174,391
WIP	25,226		-2,386	669	23,510
Finished products	123,354	-3,269	29,348	4,702	154,135
Merchandise	85,070	611	-8,171	2,367	79,876
Total	**351,441**	**1,080**	**67,171**	**12,219**	**431,912**

Depreciation

In thousands of euros	**31.12.2013**	Changes in scope and reclassifications	Changes	Translation differences	**31.12.2014**
Raw materials	-8,587		2,012	-110	-6,685
WIP					
Finished products	-2,484	15	212	-89	-2,346
Merchandise	-9,531	-15	72	-94	-9,567
Total	**-20,601**		**2,296**	**-294**	**-18,598**

Net amount

In thousands of euros	**31.12.2013**	Changes in scope and reclassifications	Changes	Translation differences	**31.12.2014**
Raw materials	109,204	3,740	50,392	4,370	167,706
WIP	25,226		-2,386	669	23,510
Finished products	120,870	-3,254	29,560	4,613	151,789
Merchandise	75,539	596	-8,099	2,272	70,309
Total	**330,840**	**1,080**	**69,468**	**11,925**	**413,313**

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 10 – ACCOUNTS RECEIVABLE

In thousands of euros		**31.12.2013**	Changes in scope and reclassifications	Changes	Translation differences	**31.12.2014**
Current						
Accounts receivable - gross		235,001		1,703	12,291	248,994
Accounts receivable - allowances	(Note 12)	-13,482		3,948	-795	-10,330
Accounts receivable - net		**221,519**		**5,650**	**11,495**	**238,665**
Non-current						
Accounts receivable - gross		258		-258		
Accounts receivable - allowances	(Note 12)					
Accounts receivable - net		**258**		**-258**		
Total		**221,777**		**5,392**	**11,495**	**238,665**

Outside of the American 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 the U.S. market and in accordance with industry practices, Manitou Americas has agreements with distributors for inventory financing (floor plan) for variable 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 €4.3 million for the full-year 2014 period and were reported as "sales, marketing and service expense" in the income statement. Those losses were partially offset by the reversal of depreciation recorded on the same line.

NOTE 11 – 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 of euros		31.12.2013	Change in scope & other	Changes	Translation differences	31.12.2014
Gross						
Receivables on financing leases		3,017		-75	78	3,020
Receivables on financing granted to end-use customers		5,953		-2,815	544	3,682
Receivables on sales financing - Gross		**8,970**		**-2,890**	**622**	**6,702**
Impairment						
Receivables on financing leases	(Note 12)					
Receivables on financing granted to end-use customers	(Note 12)	-3,318		787	-377	-2,908
Receivables on sales financing - Impairment		**-3,318**		**787**	**-377**	**-2,908**
Net						
Receivables on financing leases		3,017		-75	78	3,020
Receivables on financing granted to end-use customers		2,635		-2,028	167	774
Receivables on sales financing - Net		**5,652**		**-2,103**	**245**	**3,794**
Of which						
Non-current portion		**2,312**		**-472**	**77**	**1,917**
Current portion		**3,340**		**-1,631**	**169**	**1,877**

The financing granted to end customers are mainly related to Manitou Americas and include €0.3 million of receivables sold with limited recourse (gross value) which were not removed from the balance sheet at December 31, 2014, versus €1.8 million reported at December 31, 2013. The amount reported as a liability attributable to these sales with limited recourse transactions is mentioned in note 8.2.

At December 31, 2014, an impairment test was performed on receivables related to sales financing. The criteria for impairment are based on a client by client 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 2014 period related to the financing granted to end customers receivables amounted to €0.6 million and were covered by the reversal of provisions for impairment.

An aging of the non-current receivables related to sales financing follows:

In thousands of euros	31.12.2014	1 to 2 years	3 to 5 years	Over 5 years
Receivables on financing leases - Net	1,778	1,248	530	
Receivables on financing granted to end customers - Net	139	139		
Receivables on financing granted to end customers - non-current portion	**1,917**	**1,387**	**530**	

NOTE 12 – FINANCIAL ASSETS – ANALYSIS OF OVERDUE RECEIVABLES AND IMPAIRMENT

▸ NOTE 12.1 - ANALYSIS OF OVERDUE RECEIVABLES AND RELATED PROVISIONS FOR IMPAIRMENT

In thousands of euros	Not due	< 30 days overdue	31 – 90 days overdue	91 – 120 days overdue	> 120 days overdue	31.12.2014 TOTAL
Accounts receivable	214,988	13,682	8,008	3,399	8,915	248,993
Provisions for impairment on accounts receivables	-1,594	-1,452	-642	-112	-6,529	-10,330
Accounts receivable – Net	**213,394**	**12,230**	**7,366**	**3,287**	**2,386**	**238,664**
Receivables on financing granted to end customers	207	186	19	21	2,586	3,019
Impairment Receivables on financing granted to end customers	-58	-85	-6	-5	-2,230	-2,384
Receivables on financing granted to end customers - Net	**149**	**101**	**13**	**16**	**356**	**635**
Receivables on financing leases	1,242					1,242
Impairment on financing leases						
Receivables on financing leases - Net	**1,242**					**1,242**
Total	**214,785**	**12,332**	**7,379**	**3,303**	**2,742**	**240,541**

▸ NOTE 12.2 - CHANGES IN IMPAIRMENT ON FINANCIAL ASSETS

	31.12.2013	Increases	Applied	Reversals	Reclass/ other	Translation differences	31.12.2014
Provisions for impairment on accounts receivables	-13,482	-2,082	4,250	1,779		-795	**-10,330**
Impairment on financing receivables granted to end customers	-3,318	-105	640	252		-377	**-2,908**
Of which							
- Current	-2,721	-86	525	208		-309	**-2,384**
- Non-current	-597	-19	115	44		-68	**-524**
Impairment on financing leases							

NOTE 13 – OTHER CURRENT RECEIVABLES

In thousands of euros	31.12.2013	Change in scope & other	Changes	Translation differences	31.12.2014
Tax and social receivables	12,481	79	-2,738	-105	**9,718**
Other receivables	3,951	13	-844	27	**3,147**
Advances and prepayments on orders	1,447		376	-228	**1,595**
Prepaid expenses	7,017	0	-498	215	**6,735**
Total	**24,896**	**93**	**-3,703**	**-91**	**21,195**

NOTE 14 – SHAREHOLDERS' EQUITY

▸ NOTE 14.1 - SHARE CAPITAL

The share capital consisted of 39,548,949 shares at December 31, 2014.

▸ NOTE 14.2 - PROPOSED DIVIDEND DISTRIBUTION

Given the results for the 2014 financial period, the Board of directors meeting of March 4, 2015 decided to pay a dividend of €0.35.

▸ NOTE 14.3 - TREASURY SHARES

Number of shares	Realized at 31.12.2013	% of capital	Transactions as at 31.12.2014	% of capital
Held at opening (share repurchase program)	**278,000**		**278,000**	
Shares purchased (Shareholders' Meeting of June 1, 2006)				
Shares sold			-10,802	
Stock options exercised				
Held at closing (share repurchase program)	**278,000**	0.70%	**267,198**	0.68%
Stock option coverage				
Liquidity contract	45,332		34,035	
Total treasury shares held	**323,332**	0.82%	**301,233**	0.76%

The cost of the shares purchased and the proceeds from the shares sold were recorded as a reduction or increase in the net balance, respectively.

Treasury shares do not have dividend rights.

▸ NOTE 14.4 - STOCK PURCHASE OPTIONS FOR CERTAIN EMPLOYEES

No new plan was awarded for the year 2014.

14.4.1 - CHARACTERISTICS OF EXISTING PLANS

The main characteristics of stock option plans for certain employees and bonus shares are as follows:

Purchase options *Characteristics*	Type of plan	Maturity date	Expiry date	Number of beneficiaries (origin)	Average exercise price (in €)	**Number of shares per plan**
26/04/2007 plan	Purchase	27/04/2011	26/04/2015	16	39.80	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	13.60	131,250
26/07/2011 plan	Subscription	26/07/2015	26/07/2019	60	24.00	34,545
Total options granted						**212,795**
Options cancelled - shares available						215,198
Unattributed shares						
Total shares held						**267,198**

Free shares *Characteristics*	Type of plan	Maturity date	Expiry date	Number of beneficiaries (origin)	**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**

14.4.2 - CHANGES IN THE NUMBER OF VALID OPTIONS

In units	**Options outstanding at 31.12.2013**	Options granted	Options exercised	Options cancelled	**Options outstanding at 31.12.2014**
26/04/2007 plan	30,500				30,500
10/10/2007 plan	16,500				16,500
19/05/2010 plan	163,175			-31,925	131,250
26/07/2011 plan	78,370			-43,825	34,545
Total	**337,545**			**-75,750**	**212,795**
Weighted average price in the period					

14.4.3 - CHANGES IN THE NUMBER OF FREE SHARES GRANTED

In units	**Shares outstanding at 31.12.2013**	Shares granted	Shares cancelled	**Shares outstanding at 31.12.2014**
28/06/2012 plan	61,836		-17,594	44,242
Total	**61,836**		**-17,594**	**44,242**

14.4.4 VALUATION OF PLANS

In accordance with the principles set out in note 1.16, at December 31, 2014 the purchase options and free shares plans were valued at their fair value at the grant date.

In thousands of euros	2012 plan	2011 plan	2010 plan	**Total**
Initial value (after deduction of cancelled shares)	399	807	455	**1,661**
Expense at 31/12/2014	-35	114	81	**160**

The costs for the period are recorded as personnel expenses.

Assumptions for stock option plans

The main criteria used for the valuation and recording of the rights related to stock option plans are as follows:

– exercise price: price set by the plan's rules, or the average share price of Manitou shares over the last 20 open days preceding the date granted, discounted by 5%.

– volatility: historical volatility of Manitou shares over three years for all plans;

– dividend payout rate: the average dividend payout 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 15 – PROVISIONS

NOTE 15.1 - BREAKDOWN OF PROVISIONS

	31.12.2014	Current	Non current
Provisions - Excluding post-employment benefits			
Warranty provisions	20,692	15,375	5,318
Provisions for other risks	7,781	4,332	3,449
	28,474	19,707	8,767
Post-employment benefits (note 16)	43,161	238	42,923
Total	**71,635**	**19,945**	**51,690**

	31.12.2013	Current	Non current
Provisions - Excluding post-employment benefits			
Warranty provisions	22,110	16,963	5,147
Provisions for other risks	6,979	4,346	2,633
	29,090	21,310	7,780
Post-employment benefits (note 16)	26,494	206	26,288
Total	**55,584**	**21,516**	**34,068**

NOTE 15.2 - CHANGES IN PROVISIONS - EXCLUDING POST-EMPLOYMENT BENEFITS

In thousands of euros	31.12.2013	Increases	Provisions applied	Provisions reversed (un-used)	Reclassifications / Changes in scope	Translation differences	31.12.2014
Warranty provisions	22,110	9,423	-7,824	-3,612		595	20,692
Provisions for other risks	6,979	2,055	-833	-893	0	472	7,781
Total	**29,090**	11,479	-8,657	-4,505	0	1,067	**28,474**

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. Provisions recorded correspond to the group’s and its advisors’ best estimates of the risks incurred with respect to the litigation in process.

NOTE 16 – POST-EMPLOYMENT BENEFITS

NOTE 16.1 - 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 revised.

The characteristics of the main plans are as follows:

USA – Pension plan B

– Description: "qualified" post-employment benefit plan closed as of the entry of new participants on May 1, 2005 and frozen in terms of the acquisition of rights for all participants on October 3, 2009. The advantages correspond to the higher of either 1% of final salary multiplied by the number of years' service (capped at 35 years) or $22 per year of service,

– Plan risks: Investment risk, life expectancy risk and interest rate risk;

– Investment strategy: Combination of 60% stocks and the remainder in fixed income securities. That strategy's objective is to grow plan assets faster than obligations and to fund the minimum contribution in accordance with U.S. law (ERISA and "Internal Revenue Code").

USA - SERP

– Description: "non-qualified" post-employment benefits plan combining a limited number of designated beneficiaries on the basis of individual agreements. One active employee is currently in the plan, all other recipients are former employees. The benefits attributed by this plan are calculated based on a percentage of final average earnings.

– Plan risks: Interest rate risk and life expectancy risk.

– Investment strategy: Although not considered plan assets, the plan is funded via a "rabbi trust."

UK - Pension

– Description: Plan based on the salary at the end of career, frozen to any new entrance and to the acquisition of new rights.

– Plan risks: Investment risk, life expectancy risk and market risk.

– Investment strategy: Combination of 50% in a diversified fund, 25% of non-indexed government bonds, the rest in corporate bonds denominated in GBP. This strategy's objective is to provide a return sufficient enough to cover future obligations to members while maintaining a certain level of low risk assets to cover pensions due in the short term.

France - Retirement indemnity

– Description: Amount paid at the time of departure for retirement and calculated based on years' service and salary at the end of career. That plan corresponds to legal requirements.

– Plan risks: Volatility of the disbursement amounts of the benefits depending on the effective date of departure for retirement.

– Investment strategy: Insurance contract providing the immediate availability of funds invested. Assets characterized by the low volatility of their yields.

Italy - TFR

– Description: Amount paid at the time of departure for retirement calculated based on years' service and salary at the end of career. This plan corresponds to legal requirements and has been frozen since 2007.

– Plan risks: Volatility of the disbursement amounts of the benefits depending on the effective date of departure from the company of employees hired before 2007.

– Investment strategy: Without assets.

▸ NOTE 16.2 - VALUATION

15.2.1 - KEY ACTUARIAL ASSUMPTIONS RETAINED

				31.12.2014
	France	United Kingdom	Italy	United States
Salary trends	4.00%	n/a	n/a	5.00%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	2.15%	3.70%	2.15%	3.75%

				31.12.2013
	France	United Kingdom	Italy	United States
Salary trends	4.00%	n/a	n/a	5.00%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	3.40%	4.45%	3.40%	4.50%

A change of -0.5% in the discount rate would have the following impact on the defined benefit obligation (DBO) and the supplemental cost of an additional year (SC):

In thousands of euros	DBO	SC
Europe (Inc. France)	1,936	176
United Kingdom	1,684	na
United States	3,297	12
Total	**6,917**	**188**

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. At December 31, 2014, the use of the RP-2014 mortality table, published by the SOA (Society of Actuaries) in September of 2014, for the calculation of commitments in the United States, generated an actuarial loss of €4.7 million which was reported in the other components of comprehensive income in the after tax amount of €3.1 million.

The rate used to discount obligations is determined by reference to market yields at the balance sheet date based on high quality corporate bonds.

The healthcare inflation rate used was 7.5% at December 31, 2014. A 1% change in healthcare inflation would have an impact of €114 thousand on the actuarial liability (DBO) and of €16 thousand 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 rates for social charges taken into account when assessing the commitment in 2014 was between 44 and 55% 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.

16.2.2 - BREAKDOWN OF PLAN ASSETS (AS A %)

The breakdown of plan assets at 31/12/2014 is as follows:

			31.12.2014
	France	United Kingdom	United States
Equity shares	15.00%	49.82%	58.85%
Bonds	5.00%	49.97%	28.10%
Other	80.00%	0.21%	13.05%
Total	**100.00%**	**100.00%**	**100.00%**

			31.12.2013
	France	United Kingdom	United States
Equity shares	7.20%	55.67%	58.52%
Bonds	90.50%	44.12%	26.13%
Other	2.30%	0.21%	15.35%
Total	**100.00%**	**100.00%**	**100.00%**

16.2.3 - RECONCILIATION OF BALANCE SHEET ITEMS

The provision can be broken down by country as follows:

						31.12.2014
In thousands of euros	France Retirement indemnities	France Other	United Kingdom	United States	Other	Total
Present value of liability	20,733	953	15,593	58,308	1,064	96,651
Fair value of financial assets	6,354		15,584	31,553		53,490
Past service costs						
Net assets (provisions) recognized in balance sheet	-14,379	-953	-10	-26,755	-1,064	**-43,161**
				Of which:	Provisions	-43,161
					Assets	0

						31.12.2013
In thousands of euros	France Retirement indemnities	France Other	United Kingdom	United States	Other	Total
Present value of liability	15,489	809	12,390	44,401	887	73,976
Fair value of financial assets	6,747		12,487	28,345		47,579
Past service costs						
Net assets (provisions) recognized in balance sheet	-8,742	-809	97	-16,056	-887	**-26,397**
				Of which:	Provisions	-26,494
					Assets	97

16.2.4 - TRENDS IN COMMITMENTS AND PLAN ASSETS DURING THE YEAR

					31.12.2014
In thousands of euros	France	United Kingdom	United States	Other	Total
Defined benefit obligation					
Beginning of period	16,298	12,391	44,400	887	73,976
Service costs	1,225		70		1,295
Discounting	594	564	2,001	41	3,200
Benefits paid	-636	-532	-3,752	-76	-4,996
Actuarial differences recognized in income statement	64				64
Liquidation/reduction and other					
Past service costs					
Additions to scope					
Actuarial losses (Gains) – experience and demographic assumptions	206	105	4,972		5,283
Actuarial losses (Gains) – financial assumptions	3 935	2,051	3,569	212	9,767
Other costs		62	340		402
Translation differences		950	6,710		7,660
End of period	21,686	15,591	58,309	1,064	**96,651**
Plan assets					
Beginning of period	6,747	12,488	28,344		47,579
Employer contributions		1,159	3,117		4,276
Benefits paid	-609	-532	-3,590		-4,731
Expected return on plan assets	228	594	1,329		2,151
Difference - Expected return / Actual return on assets	-12	922	-1,445		-535
Additions to scope					
Liquidations					
Translation differences		953	3,797		4,750
End of period	6,354	15,584	31,552		**53,490**
Reconciliation of provision					
Beginning of period	-9,551	97	-16,056	-887	-26,397
Expense for the year	-1,655	-32	-1,082	-41	-2,810
Employer contribution		1,159	3,117		4,276
Benefits paid	27		163	76	266
SORIE	-4,153	-1,234	-9,985	-212	-15,584
Additions to scope					
Translation differences		3	-2,913		-2,910
End of period	-15,332	-7	-26,757	-1,064	**-43,161**

In thousands of euros		France	United Kingdom	United States	Europe other	31.12.2013 Total
Defined benefit obligation						
	Beginning of period	15,265	11,740	51,895	954	79,854
Service costs		1,240		69		1,309
Discounting		503	513	1,801	29	2,846
Benefits paid		-239	-339	-4,085	-81	-4,744
Actuarial differences recognized in income statement		-11				-11
Liquidation/reduction						
Past service costs						
Additions to scope						
Actuarial losses (Gains) – experience and demographic assumptions		-690		708		18
Actuarial losses (Gains) – financial assumptions		230	649	-4,324	-15	-3,460
Other			59	380		439
Translation differences			-231	-2,044		-2,275
	End of period	16,298	12,391	44,400	887	**73,976**
Plan assets						
	Beginning of period	6,714	10,980	27,447		45,141
Employer contributions			1,100	2,890		3,990
Benefits paid		-178	-339	-3,854		-4,371
Expected return on plan assets		221	509	979		1,709
Difference - Expected return / Actual return on assets		-10	438	2,150		2,578
Additions to scope						
Liquidations						
Other						
Translation differences			-200	-1,268		-1,468
	End of period	6,747	12,488	28,344		**47,579**
Reconciliation of provision						
	Beginning of period	-8,551	-760	-24,448	-954	-34,713
Expense for the year		-1,511	-63	-1,271	-29	-2,875
Employer contribution			1,100	2,890		3,990
Benefits paid		61		231	81	373
SORIE		450	-210	5,766	15	6,021
Additions to scope						
Other						
Translation differences			31	776		807
	End of period	-9,551	98	-16 056	-887	**-26 397**

16.2.5 - BREAKDOWN OF THE PERIOD EXPENSE

IAS 19 revised					**31.12.2014**
In thousands of euros	France	United Kingdom	United States	Other	Total
Methodological adjustments					
Service costs	1,225		70		1,295
Discounting	594	564	2,001	41	3,200
Expected return on plan assets	-228	-594	-1,329		-2,151
Loses/gains recognized	64				64
Administrative expenses		62	340		402
Net expense	1,655	32	1,082	41	**2,810**

IAS 19 revised					**31.12.2013**
In thousands of euros	France	United Kingdom	United States	Other	Total
Methodological adjustments					
Service costs	1,240		69		1,309
Discounting	503	513	1,801	29	2,846
Expected return on plan assets	-221	-509	-979		-1,709
Loses/gains recognized	-11				-11
Administrative expenses		59	380		439
Net expense	1,511	64	1,271	29	**2,875**

NOTE 17 – OTHER CURRENT LIABILITIES

In thousands of euros	**31.12.2013**	Reclassifications	Changes	Translation differences	**31.12.2014**
Supplier accounts payable and related	169,196	1	1,996	3,033	174,225
Tax and social liabilities	51,493	-8	5,092	685	57,262
Other operating liabilities	14,050	-69	5,475	-875	18,581
Uninvoiced revenues	4,809		2,024	666	7,499
Other debt	70,352	-77	12,591	476	83,342
TOTAL CURRENT LIABILITIES	**239,548**	**-76**	**14,587**	**3,508**	**257,567**

NOTE 18 – INCOME TAXES

▸ NOTE 18.1 - CHANGES IN BALANCE SHEET POSITION

In thousands of euros	**31.12.2013**	Results	Payment	Translation differences	Other (1)	**31.12.2014**
Current taxes						
Assets	10,046					10,293
Liabilities	774					4,491
Total	**9,272**	**-12,626**	**9,157**	**-1**		**5,803**
Deferred taxes						
Assets	18,643					27,175
Liabilities	1,257					130
TOTAL	**17,386**	**3,086**		**1,169**	**5,404**	**27,045**

(1) Other changes in current and deferred taxes can be broken down as follows:

In thousands of euros	**2014**	**2013**
Deferred taxes recorded as consolidated reserves - SORIE	4,720	-2,134
Deferred taxes recorded as consolidated reserves - Interest rate hedging instrument	603	-529
Carry back receivable transferred		-21,060
Other	81	2,107
Total	**5,404**	**-21,616**

▸ NOTE 18.2 - INCOME TAXES RECORDED IN THE INCOME STATEMENT

In thousands of euros	2014	2013
Current taxes	**-12,626**	**-7,786**
Deferred taxes for the period	-1,237	-860
Change in deferred tax rate	-174	168
Impairment losses (-) and capitalization of unrecognized losses (+)	4,497	1,063
Total differed taxes	**3,086**	**371**
Total	**-9,540**	**-7,414**

The income tax expense recorded in the income statement includes:

– 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 1.19.

– Manitou Americas used €5.2 million in loss carry forwards activated at 31.12.2013 in the 2014 period.

– The value of the deferred tax assets related to tax loss carry forwards amounted to €2.5 million at December 31, 2014 (federal and state taxes).

– After crediting 2014 income, Manitou BF has tax loss carry forwards of €33.4 million at December 31, 2014.

To assess the probability of recording these tax loss carry forwards against future income, the deferred taxes were tested for impairment based on fiscal projections over a 5 year period. The 5 year forecasts are made on the basis of weighted scenarios. In order to take the risks inherent in any forecast into account, the weight of the less favourable forecast increases with time for the calculation of the recoverable amount.

The main underlying assumptions are related to the sales trend on one hand and the margin rate on the other (stable).

At December 31, 2014, Manitou BF capitalized €11.6 million based on that test, compared to €8.2 million at December 31, 2013, amounting to a total net deferred tax asset of €12 million at December 31, 2014. The capitalized amount corresponds to the total of tax loss carry forwards.

▸ NOTE 18.3 - RECONCILIATION BETWEEN THE FRENCH LEGAL TAX RATE AND THE EFFECTIVE TAX RATE ON CONSOLIDATED INCOME

In thousands of euros	2014	2013
Income before taxes on fully consolidated companies	38,369	6,576
Legal tax rate in France	38.00%	38.00%
Theoretical tax expense for the full-year period	**-14,580**	**-2,499**
Other taxes	-1,836	-1,894
Impairment of assets		
Permanent differences	16	-1,283
Increase / decrease in tax rates (current and deferred)	-34	331
Tax loss carry forwards capitalized (Uncapitalized tax loss carry forwards)	4,497	-4,255
Differences in foreign tax rates and other	2,398	2,185
Total - Income taxes	**-9,540**	**-7,414**

The rate retained to calculate the theoretical tax rate is the rate applicable for Manitou BF, or the legal tax rate in France of 38%. That rate includes the standard corporate income tax rate of 33.3%, as well as the social contributions of 3.3% and an exceptional contribution of 10.7%, additional charges applied to the standard tax rate.

The main differences in foreign rates are related to the following countries:

	2014
Manitou Americas	617
Manitou Italia	966
Manitou UK	401
Manitou Deutschland	180
Manitou Vostok	-604
Manitou Southern Africa	250
Other countries	362
Total	**2,172**

NOTE 18.4 - BASIS FOR DEFERRED TAXES

Deferred taxes recorded arose from the following temporary differences:

in thousands of euros - Asset / (Liability)	**Timing differences at 31.12.2014**	**Deferred taxes at 31.12.2014**	**Timing differences 31.12.2013**	**Deferred taxes at 31.12.2013**
Intangible assets				
Tangible assets	-29,585	-10,266	-33,095	-11,617
Financing leases	-13,178	-4,125	-13,194	-4,134
Employee benefits	39,903	13,875	25,263	8,811
Provisions	22,170	7,639	19,210	6,647
Inventories and receivables	8,693	3,209	8,713	3,076
Miscellaneous	7,504	2,546	-453	-936
Subtotal	**35,508**	**12,879**	**6,443**	**1,847**
Tax credits				
Tax loss carry forwards		14,166		15,539
Total		**27,045**		**17,386**

NOTE 19 – BREAKDOWN OF SALES BY NATURE, DIVISION AND REGION

SALES BY DIVISION

In thousands of euros	Sales of goods	Sales of services	**31.12.2014**
MHA – Material Handling and Access	799,792		799,792
CEP – Compact Equipment Products	239,897		239,897
S&S – Services & Solutions	189,417	17,350	206,767
Total	**1,229,106**	**17,350**	**1,246,456**

SALES BY REGION

In thousands of euros	Sales of goods	Sales of services	**31.12.2014**
Southern Europe	356,476	12,061	368,537
Northern Europe	462,639	1,589	464,228
Americas	277,055	334	277,389
APAM	132,937	3,365	136,302
Total	**1,229,106**	**17,350**	**1,246,456**

SALES BY DIVISION AND REGION (CURRENT CONSOLIDATION SCOPE)

In thousands of euros	Southern Europe	Northern Europe	Americas	APAM	**31.12.2014 Total**
MHA	284,092	373,996	51,015	90,690	799,792
CEP	7,060	27,028	184,906	20,902	239,897
S&S	77,385	63,204	41,468	24,710	206,767
Total	**368,537**	**464,228**	**277,389**	**136,302**	**1,246,456**

Proforma

In thousands of euros	Southern Europe	Northern Europe	Americas	APAM	**31.12.2013 Total**
MHA	307,196	319,858	51,786	92,341	771,181
CEP	6,731	27,078	155,494	16,173	205,477
S&S	78,990	56,607	40,080	24,079	199,756
Total	**392,917**	**403,543**	**247,360**	**132,594**	**1,176,414**

The group's customer base is very dispersed, the largest customer representing no more than 1.6% of total sales.

NOTE 20 – OTHER NON-RECURRING INCOME AND EXPENSES

In thousands of euros	31.12.2014	31.12.2013
Restructuring costs	- 1,602	- 3,870
Impairment of intangible assets	- 709	- 2,200
Disposals of assets	514	1,472
Other non-recurring income and expense	- 484	- 198
Total	**- 2,281**	**- 4,796**

Restructuring expenses and asset impairments recorded in 2014 concerned costs associated with changes in the group's governance, on one hand, and the costs associated with the implementation of the new organization on the other.

Disposals of assets were related to the divestiture of the Pavers business in the United States.

NOTE 21 – AUDITORS' FEES

	DELOITTE & ASSOCIÉS				RSM OUEST & Members of RSM International network.				Other				Total	
	Amount		%		Amount		%		Amount		%		Amount	
In thousands of euros	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Auditors														
– Statutory audits, certification of individual and consolidated financial statements														
- Issuer	163	154	29%	30%	163	154	51%	53%					308	308
- Fully consolidated subsidiaries	365	362	69%	70%	136	128	45%	44%	10		100%		511	490
– Other services directly associated with the Statutory auditors' work														
- Issuer														
- Fully consolidated subsidiaries	6		1%		11	6	4%	2%					17	6
Subtotal	**534**	**525**	**100%**	**100%**	**310**	**297**	**100%**	**100%**	**10**		**100%**		**854**	**804**
Other services rendered by the network for fully consolidated subsidiaries														
Total	**534**	**525**			**310**	**297**			**10**				**854**	**804**

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 meet the provisions introduced by decree N° 2008-1487 of December 30, 2008.

NOTE 22 – EXPENSES FROM RECURRING OPERATIONS BY NATURE

In thousands of euros	31.12.2014	31.12.2013
Material purchases	-827,609	-786,800
Direct and indirect labour	-123,415	-119,879
Amortisation	-26,085	-25,854
Other	-82,536	-81,122
Cost of goods and services sold	**-1,059,646**	**-1,013,655**
External expenses	-48,931	-55,390
Personnel expense	-75,185	-73,719
Net depreciation / amortization expense (non-production)	-5,695	-6,004
Other	-8,820	-6,416
Other expenses from recurring operations	**-138,631**	**-141,528**
Total expenses from recurring operations by nature	**-1,198,277**	**-1,155,183**

NOTE 23 – BREAKDOWN OF PERSONNEL EXPENSES

In thousands of euros	31.12.2014	31.12.2013
Salaries, bonuses and indemnities	-130,294	-126,208
Profit-sharing	-8,228	-7,094
Employee benefits	-4,147	-4,544
Social charges and payroll taxes	-49,272	-48,084
Personnel expense excluding interim employees and reinvoicing	**-191,941**	**-185,930**
Interim & other	-7,932	-11,401
Total	**-199,873**	**-197,331**

NOTE 24 – OTHER OPERATING INCOME AND EXPENSE

In thousands of euros	31.12.2014	31.12.2013
Disposals of assets	183	82
Currency exchange gains and losses	-2,916	-4,170
Other income	1,181	1,547
Other expenses	-2,077	-1,989
Net increase in provisions	150	880
Total	**-3,479**	**-3,650**

Other operating income and expenses include product litigation, insurance reimbursements as well as income related to real estate investments.

Currency exchange losses associated with operating receivables and debt which impacted other operating expenses in the amount of -€2.9 million were mainly associated with the strong devaluation of the Rouble at the end of 2014.

NOTE 25 – FINANCIAL INCOME / EXPENSE

In thousands of euros	31.12.2014	31.12.2013
Investment income	1,152	1,579
Interest rate swaps	17	8
Fair-value adjustment		-50
Exchange gains	2,758	2,106
Other financial income	292	428
Total financial income	**4,219**	**4,072**
Interest expense on bank loans and lines of credit	-5,396	-5,573
Interest rate swaps	-47	-813
Currency exchange losses	-4,749	-2,095
Other financial expenses	-1,555	-5,450
Total financial expense	**-11,747**	**-13,931**

Other financial expenses in 2013 included losses related to the disposal of AFS Lucas G shares of €3.4 million as well as cost of €0.5 million related to the disposal of the carry-back receivable for €21.1 million.

NOTE 26 – RESEARCH AND DEVELOPMENT EXPENSE

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. They represented a total of €22.7 million as compared to €24.1 million in 2013.

NOTE 27 – OFF - BALANCE SHEET COMMITMENTS

In thousands of euros	31.12.2014	31.12.2013
Sureties, deposits, collateral	7,322	5,050
Financial commitments (including forward sales)	89,530	61,882
Commitments to repurchase equipment (1)	3,429	4,481
Other commitments	30	1,486

(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 28 – RISK MANAGEMENT

The Manitou group's risk management policy is described in the "Risk Management" section of the Management Report.

NOTE 29 – INDIVIDUAL TRAINING ENTITELEMENT (D.I.F.)

During the 2014 full-year period, costs associated with the French D.I.F. (individual training entitlement) were assumed within the framework of the agreement 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 December 31, 2014 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 182,771 hours as of December 31, 2014.

NOTE 30 – HEADCOUNT AT DECEMBER 31ST

	2014	2013
Manitou BF SA	1,798	1,861
Compagnie Française de Manutention	68	77
Manitou Italia Srl.	256	253
Manitou Portugal SA	36	37
EPL Centro		
Manitou Manutencion Espana SL	10	9
Southern Europe	**2,168**	**2,237**
Manitou UK Ltd.	40	41
Manitou Benelux SA	19	19
MILE	8	8
Manitou Deutschland GmbH	23	26
Manitou Vostok	28	28
Manitou Polska	13	12
Manitou Nordics	4	3
Northern Europe	**135**	**137**
Manitou Americas	835	710
Manitou Do Brasil	8	2
Americas	**843**	**712**
Manitou Southern Africa PTY Ltd.	75	73
Manitou Australia PTY Ltd.	14	13
Manitou Asia PTE Ltd.	36	37
Manitou China	22	23
Manitou South Asia	12	10
Manitou Middle East	2	
Rest of world	**161**	**156**
Group total	**3,307**	**3,242**

NOTE 31 – TRANSACTIONS WITH RELATED PARTIES

▸ NOTE 31.1 - TRANSACTIONS WITH GROUP COMPANIES CONSOLIDATED USING THE EQUITY METHOD

	31.12.2014		31.12.2013	
In thousands of euros	Expenses	Income	Expenses	Income
Manitou Finance France SAS	848		687	
Manitou Finance Ltd	1,489	112,088	991	76,619
Algomat		8,602		6,398
Hangzhou Manitou Machinery Equipment Co Ltd	154	349	2,111	104

NOTE 31.2 - TRANSACTIONS WITH INDIVIDUALS

In thousands of euros	2014 Interest	**2014** Balance at December 31, 2014	Purchase price	2013 Interest	**2013** Balance at December 31, 2013	Purchase price
Current accounts with associates						
Monsieur Marcel Braud	126	4,576		101	4,561	
Madame Jacqueline Himsworth	2	64		5	211	
Purchases of investment shares						
Not applicable						

NOTE 31.3 - EXECUTIVE COMPENSATION AND OTHER BENEFITS

Total amount of compensation and benefits paid to corporate officers:

2014

In thousands of euros	Salaries	Mandates	Extra benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions for commitments
Non-executive corporate officers	143	432					
Executive corporate officers	45	362	360	0	na	0	275
Executive committee members who are not corporate officers	1,655		169	0	na	0	2,653

2013

In thousands of euros	Salaries	Mandates	Extra benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions for commitments
Non-executive corporate officers	223	467					
Executive corporate officers	368	403	645	0	na	0	405
Executive committee members who are not corporate officers	1,568		862	0	na	0	2,148

NOTE 32 – POST-CLOSING EVENTS

No major event, having any future impact or having any potential future impact on the interpretation of 2014 income, has taken place since December 31, 2014.

8.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2014

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 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 2014, on:

– the audit of the accompanying consolidated financial statements of Manitou BF;

– 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 includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. 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 2014 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 the following matters:

– Note 1.4 to the consolidated financial statements "Presentation of financial statements" regarding the reclassification of the net income of associates under operating income, in the aggregate "Operating income after share in net income of associates",

– Notes 1.21 and 3 to the consolidated financial statements regarding the terms and consequences of the reorganization of the group divisions as of 1 July 2014,

– Note 18.2 to the consolidated financial statements "Taxes recorded in the income statement", regarding the deferred taxes capitalised by Manitou BF and its subsidiary Manitou Americas in connection with NOL carryforwards and other deferred tax assets, as per 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, particularly regarding the value of certain assets and liabilities and income and expense items (note 1.2 to the consolidated financial statements). We verified the appropriateness of the disclosures on these items provided in the notes to the consolidated financial statements and, particularly, the valuation and impairment methods for non-current assets (notes 1.6, 1.9 and 6 to the consolidated financial statements). We reviewed the consistency of the assumptions used by management, how these assumptions were reflected in the figures and the available documentation.

Notes 1.17 and 15.2 to the consolidated financial statements disclose the fact that your group sets aside provisions with respect to customer guarantees and campaigns. In particular, our work consisted in assessing the information and assumptions determined by management on which such accounting estimates are based, reviewing, on a test basis, the group's calculations and comparing the accounting estimates of prior periods with the corresponding actual data.

Notes 1.19 and 18.2 to the consolidated financial statements outline the deferred tax recognition methods and the impact on the 2014 financial statements of the deferred taxes capitalised by Manitou BF and its US subsidiary in connection with NOL carryforwards. Our procedures consisted in verifying that the recognition criteria were satisfactory, assessing the information and assumptions relating to forecast taxable income and the use of the loss carryforwards on which this capitalisation is based, reviewing the group's calculations and examining management's approval procedures for the assumptions underlying this capitalisation. We also verified that the above-mentioned notes to the consolidated financial statements provide appropriate disclosure.

We assessed the reasonableness of such estimates.

Accounting principles

As part of our assessment of the accounting principles applied by your group, we have reviewed the methods used to capitalise and amortise development costs 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 expression of our opinion in the first part of this report.

8.2.3. SPECIFIC VERIFICATION

As required by law, we have also verified the information presented in the group's management report in accordance with professional standards applicable in France.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Orvault and Nantes, 30 March 2015

The Statutory auditors

French original signed by

RSM Ouest	**Deloitte & Associés**
Nicolas Perenchio	Thierry de Gennes

8.3 PARENT COMPANY FINANCIAL STATEMENTS

8.3.1 INCOME STATEMENT

In thousands of euros	Notes	31.12.2014	31.12.2013
Sales revenues (1)			
Sales of merchandise goods		274,216	255,767
Production sold (goods)		599,458	562,403
Production sold (services)		7,490	6,843
Net sales revenue	Note 18	881,164	825,013
Inventoried and capitalized production		485	19,477
Reversals of provisions and amortization, expense transfers	Note 19	25,949	30,011
Other income		1,765	1,111
TOTAL		**909,363**	**875,612**
Operating expenses (2)			
Purchases and changes in inventories		641,648	618,965
Other purchases and external expenses		103,501	118,049
Taxes and related		9,892	10,287
Salaries and social charges		108,599	107,825
Amortization and impairment		30,388	33,035
Net increase in provisions		12,760	11,393
Other expenses		914	824
Total		**907,702**	**900,378**
OPERATING INCOME		**1,661**	**-24,766**
Financial income (3)		56,630	29,356
Financial expenses (4)		15,053	16,847
FINANCIAL INCOME / EXPENSE	Note 20	**41,577**	**12,509**
INCOME BEFORE TAXES AND NON-RECURRING ITEMS		**43,238**	**-12,257**
Non-recurring income		10,364	15,349
Non-recurring expenses		7,613	17,392
NON-RECURRING INCOME / EXPENSE	Note 21	**2,751**	**-2,043**
Employee profit sharing			
Income taxes	Note 22	1,168	8
NET INCOME		**44,821**	**-14,308**

(1) Including prior period sales revenues		
(2) Including prior period expenses		
(3) Including income from affiliates	16,256	16,324
(4) Including expenses from affiliates	38	31

8.3.2 CASH FLOW STATEMENT

In thousands of euros		31.12.2014	31.12.2013
NET INCOME		**44,821**	**-14,308**
Less: Non-cash and non-operating expenses			
+	Amortization, impairment and provisions (1)	20,306	22,515
-	Reversals of amortization, impairment and provisions (1)	-36,437	-15,871
-	Proceeds from sales of assets	-3,602	-3,055
+	Net value of asset disposals	3,477	9,400
-	Investment subsidies included in income	-14	-14
+/-	Other non-cash income and expenses	1,168	
EEARNINGS BEFORE DEPRECIATION AND AMORTISATION		**29,719**	**-1,333**
Changes in working capital			
+/-	Changes in inventories	-36,466	-21,195
+/-	Changes in accounts receivables	193	-30,738
+/-	Change in other receivables	-12,924	10,549
+/-	Changes in accounts payables	1,737	25,919
+/-	Changes in other payables	13,936	29,980
CASH FLOW FROM OPERATING ACTIVITIES		**-3,805**	**13,182**
Timing differences related to investment activities			
+	Disposals of tangible and intangible assets	3,201	55
+	Sales of financial assets	401	3,000
-	Investments in tangible and intangible assets	-13,589	-10,921
-	Purchases of financial assets	-112	-8,736
+/-	Changes in supplier payables on assets	3,115	-834
+/-	Cash flow related to mergers	0	0
CASH FLOWS FROM INVESTING ACTIVITIES		**-6,984**	**-17,436**
Timing differences related to financing activities			
+	Capital increase		
-	Capital reduction	0	0
+	Carry back receivables transferred	0	21,060
-	Dividends paid	0	-17,651
+	Increases in borrowings	21,138	93,140
-	Repayments of borrowings	-18,940	-78,746
+/-	Changes in subscribed capital called but not paid		
CASH FLOW FROM FINANCING ACTIVITIES		**2,198**	**17,803**
	Cash & cash equivalents - opening balance	3,584	-9,965
	Cash & cash equivalents - closing balance	-5,007	3,584
CHANGE IN CASH & CASH EQUIVALENTS		**-8,591**	**13,549**

(1) Excluding current assets

8.3.3 BALANCE SHEET

ASSETS

In thousands of euros	Notes	31.12.2014 Amount Gross	31.12.2014 Amortization and impairment	31.12.2014 Amount Net	31.12.2013 Amount Net
NON-CURRENT ASSETS					
Intangible assets (1)	Note 2	58,145	42,432	15,713	21,301
Tangible assets	Note 3	211,041	157,347	53,694	58,361
Financial assets (2)		363,280	20,723	342,557	312,800
		632,466	**220,502**	**411,964**	**392,462**
CURRENT ASSETS					
Inventories and work in process	Note 6	224,248	12,911	211,337	174,871
Prepayments and advances to suppliers		16		16	24
Receivables from operations (3)	Note 7	223,828	1,314	222,514	209,231
Cash & cash equivalents	Note 9	11,725	5,695	6,030	16,594
Accrued income and expenses	Note 15	3,358		3,358	3,901
		463,175	**19,920**	**443,255**	**404,621**
Translation differences - Assets	Note 16	1,373		1,373	3,047
Total		**1,097,014**	**240,422**	**856,592**	**800,130**
(1) Including leasehold rights				0	0
(2) Of which, less than one year				1,826	1,673
(3) Of which, greater than one year				0	0

LIABILITIES

In thousands of euros	Notes	31.12.2014 Amount Net	31.12.2013 Amount Net
SHAREHOLDERS' EQUITY	Note 10		
Share capital	Note 10	39,549	39,549
Paid-in above par value, merger premiums, contributions, etc.		43,667	43,667
Valuation differences	Note 17	908	908
Retained earnings and reserves		305,130	319,438
Income for the full-year period		44,821	-14,308
Investment subsidies		112	126
Regulated provisions		16,697	22,382
		450,884	**411,762**
Provisions for risks and expenses	Note 11	29,568	26,682
DEBT (1)			
FINANCIAL DEBT (2)	Note 12	170,243	172,335
DEBT RELATED TO OPERATING ACTIVITIES	Note 12		
Supplier accounts payable and related		138,876	137,139
Tax and social liabilities		38,557	35,496
Other operating liabilities		18,859	12,252
OTHER DEBT	Note 12	4,828	1,640
Accrued income and expenses	Note 15	3,307	1,943
		374,670	**360,805**
Translation differences - Liabilities	Note 16	**1,470**	**881**
Total		**856,592**	**800,130**
(1) Of which, greater than one year		107,988	86,715
Of which, less than one year		252,817	274,090
(2) Including short-term bank overdrafts and credit balances		11,037	13,010
(3) Of which equity loans			
(4) Equity method valuation differences		0	0

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 10 249 - 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 - APE Code: 292 D NAF Code 2822Z"

FINANCIAL INFORMATION RELATED TO THE CLOSING

Manitou BF's financial statements were approved by the Board of directors on March 4, 2015.

COMMENTS ON THE NOTES TO THE BALANCE SHEET

The notes to the balance sheet before distribution of dividends show the following characteristics:

The balance sheet for the current full year period totals €856,592 thousand.

The income statement reports:

– Total sales revenues of €976,357 thousand;

– Total expenses of €931,536 thousand,

– A loss of €44,821 thousand.

The period begins on January 1, 2014 and ends on December 31, 2014 for a twelve month period.

The notes (or tables) below are an integral part of the full-year financial statements.

PERIOD HIGHLIGHTS

In 2014, a new subsidiary was created in Dubai in the United Arab Emirates with the objective of developing the commercial activity in that region.

On April 1, 2014, the Manitou BF divested all of its shares in SAVIM, a subsidiary based in Servian, located in the county of Herault in France.

On December 19, 2014, Manitou BF divested its investment in SAEMIA, a real estate company based in Ancenis in the "Lore Atlantique" county in France.

On December 29, 2014, a Canadian subsidiary, Manitou Forklift Canada, was liquidated.

GOING-CONCERN

The financial statements of Manitou BF were established under the application of the going-concern principle.

At constant exchange rates and consolidation scope, Manitou confirms its outlook for 2015 of an increase of 3% in sales compared to 2014 and a margin on income from recurring operations of 4.0 to 4.5%.

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 - FIXED ASSETS

DEVELOPMENT COSTS

In compliance to article 212-3-2 of the ANC, the French accounting authority's regulation No. 2014-03, development costs incurred in 2014 relating to defined individual projects likely to be achieved, and capable of being marketed profitability, were capitalized, the capitalization requirements described by the French accounting regulations having been fulfilled. As this is an optional recommended method, the company decided to apply 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.

SOFTWARE

These mainly include the costs incurred in the framework of various projects for the portion relating to the detailed design of those projects, programming, testing and documentation.

Costs recorded during the preliminary study phase, the functional analysis phase and for user training are recorded as expenses.

DEPRECIATION OF FIXED ASSETS

In accordance with the ANC N°2014-03, the accounting methods relating to tangible and intangible assets (excluding development costs) are as follows:

– The depreciable amount is 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 depreciable 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 years and 30 years according to the quality of the buildings,

- land improvements and construction in process, 10 years,
- technical facilities: 10 years,
- industrial machinery and equipment: between 3 and 7 years depending on the type of equipment, tooling and molds: 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 depreciation based on the estimated useful lives, is recorded in regulated provisions (excess tax depreciation).

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, the company has opted at year-end closing in 1990 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 221-4 of the ANC (the French national accounting authority) regulation N°2014-03, if at year-end, the aggregate value of securities valued using the equity method is lower than their purchase price, the aggregate 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 expenses associated with acquisitions are capitalized. In accordance with the tax laws in force, those capitalized acquisition expenses are amortized over a 5 year period on a linear basis.

NOTE 1.5 - TREASURY SHARES

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 compliance with articles 624-2 of the ANC regulation N°2014-03, expenses relating to stock options and performance share attributions related to Manitou BF shares 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 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 production cost (raw materials at actual cost, machinery and labour at actual cost).

WRITE-OFFS FOR IMPAIRMENT

– Merchandise goods: 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 second-hand or demonstration equipment, in storage or slow moving. The rate of the write-offs for impairment are determined by product group.

NOTE 1.7 - RECEIVABLES AND PAYABLES

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 RISKS AND EXPENSES

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 - RETIREMENT BENEFIT PLAN COMMITTMENTS

The liability is calculated in accordance with the provisions of IAS19 revised and authorized by the new ANC recommendation 2013-02 dated November 7, 2013. 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 of the notes to the financial statements.

▸ NOTE 1.10 - SENORITY AWARDS

As for the previous year, the commitment was calculated according to the recommendation 2003-R-01 dated April 1, 2003 of the French accounting authority (the CNC) incorporating the provisions of IAS 19.

▸ NOTE 1.11 - TAX CREDIT FOR COMPETIVITY AND EMPLOYMENT

Manitou BF credited personnel expenses for €2.8 million related to the CICE (the French tax credit for competitively and employment). Its objective is the financing of improvements in the competitiveness of the companies. To that effect, it is used to finance the company's efforts with respect to investments, research, innovation, training, recruitment, the prospection of new markets, ecological and energy transition, and reconstitution of working capital.

▸ NOTE 1.12 - FOREIGN CURRENCY TRANSLATIONS

Foreign currencies transactions are valued using the exchange rate at the date of the transaction. Receivables and payables are translated at the exchange rate 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 amounts

In thousands of euros	**31.12.2013**	Purchases	Transfers between line items	Divestitures	**31.12.2014**
Research & development expenses (1)	23,458		834	0	24,292
Concessions, patents and licenses	29,332	512	170	31	29,983
Goodwill	3,729			1,168	2,561
Other intangible assets	0				0
Intangible assets in process	784	1,529	-1,004	0	1,309
Advances and prepayments	0				0
Total	**57,303**	**2,041**	**0**	**1,199**	**58,145**

Amortization

In thousands of euros	**31.12.2013**	Increases	Other decreases	**31.12.2014**
Research & development expenses	13,417	3,152	0	16,569
Concessions, patents and licenses	21,021	3,306	28	24,299
Goodwill	1,564			1,564
Other intangible assets	0			0
Intangible assets in process	0			0
Advances and prepayments	0			0
Total	**36,002**	**6,458**	**28**	**42,432**

Net amount

In thousands of euros	**31.12.2013**	**31.12.2014**
Research & development expenses	10,041	7,723
Concessions, patents and licenses	8,311	5,684
Goodwill	2,165	997
Other intangible assets	0	0
Intangible assets in process	784	1,309
Advances and prepayments	0	0
Total	**21,301**	**15,713**

RESEARCH & DEVELOPMENT EXPENSES

Development expenses at December 31, 2013 amounted to €24,153 thousand and were distributed between projects in process of €695 thousand and projects completed of €23,458 thousand.

The development costs incurred directly by the company and capitalized in 2014 amounted to €1,044 thousand, bringing the total amount of capitalized expenses at December 31, 2014 to €25,197 thousand. That amount is split between projects in process of €905 thousand and completed projects of €24,292 thousand.

All research expenses, as well as the costs of studies and development, other than those described above, were expensed in the 2014 period for a total amount of €11,001 thousand versus €11,555 thousand during the 2013 period.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

Gross amounts

In thousands of euros	**31.12.2013**	Purchases	Transfers between line items	Divestitures	**31.12.2014**
Land	12,231	1,175	487	1,501	12,392
Buildings	43,707	13	0	2,335	41,385
Installations, improvements and fixtures	32,710	1,267	1,200	1,261	33,916
Technical installations, industrial equipment	102,303	3,993	758	1,287	105,767
Other tangible assets	15,285	609	6	934	14,966
Tangible assets in process	575	4,491	-2,451		2,615
Total	**206,811**	**11,548**	**0**	**7,318**	**211,041**

Amortization

In thousands of euros	**31.12.2013**	Increases	Other decreases	**31.12.2014**
Land	5,587	274	412	5,449
Buildings	22,857	1,924	782	23,999
Installations, improvements and fixtures	21,960	2,563	990	23,533
Technical installations, industrial equipment	85,541	7,091	1,257	91,375
Other tangible assets	12,505	1,335	849	12,991
Total	**148,450**	**13,187**	**4,290**	**157,347**

Net amount

In thousands of euros	**31.12.2012**	**31.12.2014**
Land	6,644	6,943
Buildings	20,850	17,386
Installations, improvements and fixtures	10,750	10,383
Technical installations, industrial equipment	16,762	14,393
Other tangible assets	2,780	1,974
Tangible assets in process	575	2,615
Total	**58,361**	**53,694**

Investments in 2014 were mainly related to the installation of a secure warehousing area at the Aubinière site for €1,582 thousand, the repair of roofing for €964 thousand, various building improvements for €1,165 thousand, two machining centres and a welding robot for €1,766 thousand, tooling for €4,335 thousand, as well as computer equipment for €988 thousand.

NOTE 4 – FINANCIAL ASSETS

Gross amounts

In thousands of euros	**31.12.2013**	Revaluation	Purchases	Transfers between line items	Decreases	**31.12.2014**
Share investments (2)	16,355		13		247	16,121
Receivables from affiliates	6,390		0		210	6,180
Investments accounted for using the equity method (1)	339,747	0	212		14	339,945
Loans	12				2	10
Other financial assets	924		100		0	1,024
Total	**363,428**	**0**	**325**	**0**	**473**	**363,280**

(1) Information on shares in affiliates (movements in 2014)

(2) Manitou BF divested all of its shares of SAVIM, a subsidiary based in Bézier in the French county of Herault, as well as shares held in SAEMIA, a real estate company.

(1) Information on investments in affliates (movements in 2014)

Company	**31.12.2013**	Purchases	Divestitures	**31.12.2014**
C.F.M.	1,716			1,716
Manitou UK Ltd	598			598
Manitou Italia	34,460			34,460
Manitou Benelux	713		1	712
Manitou Asia	1,309			1,309
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	0
Manitou Australia	358			358
Manitou China	5,705			5,705
Manitou Manutencion Espana	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	136			136
Manitou Brasil Manipulacao de Cargas	870			870
Manitou Nordics	244			244
Manitou Middle East		212		212
Total	339,747	212	14	**339,945**

For his commercial development, Manitou BF created a new subsidiary, Manitou Middle East based in Dubai in the United Arab Emirates.

The subsidiary Manitou Forklift based in Canada was liquidated on December 29, 2014.

Impairment

In thousands of euros	**31.12.2013**	**Increases**	**Reversals**	**31.12.2014**
Investments accounted for using the equity method (1)	50,408		29,685	20,723
Other investments (2)	220	0	220	0
Other financial assets	0	0	0	0
Total	**50,628**	**0**	**29,905**	**20,723**

(1) At the end of the period, the total value of securities valued using the equity method was lower than their purchase price. In compliance to article 332-4 of the French legal accounting guidelines (PCG), a reversal of €29,685 thousand was recorded in 2014, bringing the total amount of the provision to €20,723 thousand at December 31, 2014.

(2) The sale of the SAVIM shares resulted in the reversal of a provision for impairment of €220 thousand.

NOTE 5 – INVESTMENTS VALUED USING THE EQUITY METHOD (IN THOUSANDS OF EUROS)

	31.12.2013				31.12.2014			
Company	% held	Accounting value (Acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)	% held	Accounting value (Acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)
CFM	100.00%	1,716	20,318	18,602	100.00%	1,716	15,681	13,965
Manitou UK Ltd.	99.42%	598	4,733	4,135	99.42%	598	6,104	5,506
Manitou Italia srl	100.00%	34,460	75,875	41,415	100.00%	34,460	79,643	45,183
Manitou Benelux SA	100.00%	714	5,366	4,652	100.00%	713	5,173	4,460
Manitou Asia Pte Ltd.	100.00%	1,310	5,497	4,187	100.00%	1,310	6,585	5,275
Manitou Portugal SA	100.00%	2,963	6,621	3,658	100.00%	2,963	7,061	4,098
Manitou Deutschland GmbH	100.00%	8,712	3,848	-4,864	100.00%	8,712	3,711	-5,001
Manitou Southern Africa Pty Ltd.	100.00%	2,219	13,105	10,886	100.00%	2,219	15,322	13,103
Chariots Elevateurs Manitou Canada Inc.	100.00%	13	68	55		0	0	0
Manitou Australia Pty Ltd.	86.00%	358	3,091	2,733	86.00%	358	4,105	3,747
Manitou China	100.00%	5,705	3,025	-2,680	100.00%	5,705	2,378	-3,327
Manitou Manutencion Espana S.L.	100.00%	200	406	206	100.00%	200	447	247
Manitou Vostok LLC	100.00%	10	-44	-54	100.00%	10	-2,389	-2,399
Manitou Polska Sp zoo	100.00%	53	230	177	100.00%	53	265	212
Manitou Americas Inc.	100.00%	278,973	145,364	-133,609	100.00%	278,973	172,657	-106,316
Manitou Interface & Logistics Europe	99.00%	495	809	314	99.00%	495	1,068	573
Manitou South Asia Pte Ltd	100.00%	137	110	-27	100.00%	137	257	120
Manitou Brasil Manipulacao de Cargas LTD	99.83 %	870	657	-213	99.83%	870	629	-241
Manitou Nordics SIA	100.00%	244	260	16	100.00%	244	291	47
Manitou Middle East FZE					100.00%	211	234	23
Total		**339,747**	**289,339**	**-50,408**		**339,945**	**319,222**	**-20,723**

NOTE 6 – INVENTORIES

	31.12.2013			31.12.2014		
In thousands of euros	Gross value	Impairment	Net	Gross value	Impairment	Net
Raw materials	62,921	4,698	58,223	103,743	3,097	100,646
WIP	15,721		15,721	11,330		11,330
Finished products	60,106	588	59,518	62,810	839	61,971
Merchandise	50,095	8,686	41,409	46,365	8,975	37,390
Total	**188,843**	**13,972**	**174,871**	**224,248**	**12,911**	**211,337**

NOTE 7 – RECEIVABLES FROM OPERATIONS

	Gross amounts			Impairment		
In thousands of euros	**31.12.2013**	2014 Changes	**31.12.2014**	**31.12.2013**	2014 Changes	**31.12.2014**
Accounts receivable and related	172,448	-153	172,295	1,274	40	1,314
Other receivables	9,771	-1,827	7,944	0		0
Misc. receivables	28,286	15,303	43,589	0		0
Subscribed capital called, not paid-in	0		0	0		0
Total	**210,505**	**13,323**	**223,828**	**1,274**	**40**	**1,314**

	Net amount	
In thousands of euros	**31.12.2013**	**31.12.2014**
Accounts receivable and related (1)	171,174	170,981
Other receivables	9,771	7,944
Misc. receivables (2)	28,286	43,589
Subscribed capital called, not paid-in	0	0
Total	**209,231**	**222,514**
(1) Including commercial paper	539	70

(2) The main change in this line item was directly related to transfers within current accounts for cash pooling.

NOTE 8 – AGING OF RECEIVABLES

In thousands of euros	Gross value	Less than one year	1 to 5 years	Over 5 years
Of long-term assets				
Receivables from affiliates (1)	6,180	796	5,384	
Loans (1) (2)	10	5	5	
Other financial assets	1,025	1,025		
Of current assets				
Doubtful or disputed accounts	1,530	1,530		
Other customer receivables	170,765	170,765		
Employee and related accounts	20	20		
Social Security and other social organisms	22	22		
Income taxes	9,463	2032	7431	
Value added tax	6,493	6,493		
Other	21	21		
Group and affiliates (2)	33,072	33,072		
Misc. debtors	2,442	2,442		
Prepaid expenses	3,358	3,358		
Total	**234,401**	**221,581**	**12,820**	**0**
(1) Loans granted during the year	0			
(1) Loans repaid during the year	213			
(2) Loans to affiliates	0			

NOTE 9 – CASH AND INVESTMENT SECURITIES

The investment 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 of euros	**2013**	**2014**
SICAV monetary instruments (valued at December 31, 2014 market prices, purchase price at that date)	221	149
Shares in listed company	736	736
Provision for impairment of shares	-429	-366
Own shares (1)	8,844	8,592
Provision for impairment of shares (1)	-5,070	-5,307
TOTAL VALUE OF INVESTMENT SECURITIES	**4,302**	**3,804**
Cash & cash equivalents	12,292	2,226
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENT SECURITIES	**16,594**	**6,030**

(1) Treasury shares

At December 31, 2014, treasury shares held by the company to cover stock options (267,198) have been reported as marketable securities at their purchase price value of €8,592 thousand, or an average price of €32.15 per share.

At December 31, 2014, the average market price of those shares was €12.30 with share purchase option exercise prices ranging between €30.95 and €39.80. The exercisability of the share purchase option plans was thus considered highly unlikely.

As a result, treasury shares were written down at December 31, 2014 by €5,307 thousand (the difference between the purchase price and the market value of the shares at December 31, 2014).

For the 2014 period, a provision for impairment totalling €237 thousand was reported as a non-recurring expense.

NOTE 10 – SHAREHOLDERS' EQUITY

NOTE 10.1 - CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros	Capital	Premiums	Valuation differences	Legal reserve	Other reserves	Retained earnings	Income for the full-year period	Grants and regulated provisions	Total share-holders' equity
31.12.2013	**39,549**	**43,667**	**908**	**3,781**	**315,512**	**145**	**-14,308**	**22,508**	**411,762**
Capital increase									0
2013 Income				174	-174	-14,308	14,308		0
Dividends									0
2014 Income							44,821		44,821
Impact of changes in the value of affiliates (equity method)									0
Change in investment subsidies								-14	-14
Change in price increase allowance								-528	-528
Change in accelerated depreciation for the year								-5,157	-5,157
31.12.2014	**39,549**	**43,667**	**908**	**3,955**	**315,338**	**-14,163**	**44,821**	**16,809**	**450,884**

10.2 - BREAKDOWN OF PAID-IN-CAPITAL

	Par value per share	Shares outstanding	Amount
Share capital at the beginning of the year	€1.00	39,548,949	€39,548,949
Capital increase	€1.00		
Options for share subscriptions	€1.00		
SHARE CAPITAL AT 31.12.2014	**€1.00**	**39,548,949**	**€39,548,949**

NOTE 11 – PROVISIONS

		Increases	Reversals		
In thousands of euros	**31.12.2013**	Increases	Applied	Reversed	**31.12.2014**
Regulated provisions					
Provision for price increases	528		528		0
Accelerated depreciation	21,855	659	5,816		16,698
Other regulated provisions	0		0		0
Total	**22,383**	**659**	**6,344**	**0**	**16,698**
Provisions for risks and expenses					
Litigation	2,268	1,157	150	208	3,067
Guarantees provided to customers (1)	11,734	5,136	5,628	1,155	10,087
Currency exchange losses	3,047	1,373	3,047		1,373
Pensions and related liabilities (2)	782	140			922
Provisions for risks and expenses (3)	375	8	238		145
Provisions for retirement benefit plan commitments (4)	8,476	5,497	0		13,973
Total	**26,683**	**13,311**	**9,063**	**1,363**	**29,568**
Provisions for impairment					
Tangible assets	1				1
Share investments	50,627	0	29,904		20,723
Inventories and work in process	13,973	12,005	13,067	0	12,911
Accounts receivable	1,274	755	155	560	1,314
Other (5)	5,549	237	91		5,695
Total	**71,424**	**12,997**	**43,217**	**560**	**40,644**
OVERALL TOTAL	**120,489**	**26,967**	**58,624**	**1,923**	**86,909**

Of which, increases and reversals:	Increases	Reversals
- Operating	24,218	21,161
- Financial	1,373	32,759
- Non-recurring	1,376	6,627

(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 LIABILITIES

This item corresponds to the amount of the provision for seniority awards.

(3) OTHER RISK PROVISIONS

This item includes a provision for risks on the allotment of free shares for €145 thousand.

(4) PROVISIONS FOR RETIREMENT BENEFIT PLAN COMMITTMENTS

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:

		31.12.2013	31.12.2014
Retirement age	- management	62/67 years	62/67 years
	- non-management	62/67 years	62/67 years
		Progressive increase in the number of contribution years to 42 years	Progressive increase in the number of contribution years to 43 years
Annual growth rate of employees		4.00%	4.00%
Discount rate		3.40%	2.15%
Expected return on plan assets		3.40%	2.15%
Mortality rate		Male 05 rate/Female 05 rate	Male 05 rate/Female 05 rate
Employee turnover rate	- management	2.50%	2.50%
	- non-management	1.00%	1.00%

Actuarial gains and losses are fully recognized in the income statement.

The provision for end-of-career indemnities has evolved as follows:

In thousands of euros	31.12.2013	31.12.2014
Obligation - End of period	14,981	20,144
Plan assets at end of period	6,505	6,171
Financial position	-8,476	-13,973
Cost of prior services (change in collective bargaining agreement 08/2010) (1)	0	0
(Provision) / amount prepaid	-8,476	-13,973

The impact on income recorded in 2013 and 2014 can be broken down as follows:

In thousands of euros	31.12.2013	31.12.2014
Service costs	1,112	1,105
Cost of discounting	461	546
Expected return on plan assets	-216	-220
Reduction	0	0
Past service costs (1)	1,758	0
Subtotal	3,115	1,431
Acquisition transfer	342	0
Actuarial gain calculated	-397	4,066
Total	**3,060**	**5,497**

(1) In accordance with IAS 19 revised, the total of past service costs were recorded as expenses in the 2013 period for €1,758 thousand.

(5) OTHER

Impairment on treasury shares (see note 9)

NOTE 12 – BREAKDOWN OF DEBT

In thousands of euros	Gross value	Less than one year	1 to 5 years	Over 5 years
Bank loans and debt (1)	113,376	17,176	90,200	6,000
Other loans and financial liabilities	4,640	4,640		
Supplier accounts payable and related	138,876	127,088	11,788	
Employee and related accounts	20,348	20,348		
Social Security and other social organisms	15,961	15,961		
Income taxes	0	0		
Value added tax	21	21		
Other taxes	2,227	2,227		
Debts on fixed assets and related accounts	3,988	3,988		
Group and associates	52,228	52,228		
Other debt	19,698	19,698		
Uninvoiced revenues	3,307	3,307		
Total	**374,670**	**266,682**	**101,988**	**6,000**
(1) Loans taken during the year	21,000			
(1) Loans repaid during the year	18,940			

The parent company entered into a new financing contract on June 27, 2013 for a period of five years. That financing replaced the pre-existing contract from 2008.

The new financing put in place is structured as follows:

- One line for €30 million payable over a 5 year period;
- One line for €50 million payable at maturity;
- One multi-currency line for €30 million which may be used during two years and payable over a three year period;
- One multi-currency "Revolving Credit Facility" for €110 million.

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 (€7 million at December 31, 2014) and a second one in 2013 (€12.5 million at December 31, 2014).

The "Other non-current liabilities" includes €11.8 million of long term supplier credit related to the purchase of "prior generation" engines that will only be used in the production process in 2015 and 2016. That debt will be settled at the rate that the engines are used in the production cycle. The short term portion of the "pre-buy" contract is recorded as short-term accounts payable in the amount of €11.8 million.

NOTE 13 – ITEMS RELATED TO AFFILIATES

In thousands of euros	**31.12.2013**	**31.12.2014**
Investments accounted for using the equity method (1)	339,747	339,945
Receivables from affiliates		
Other investments	16,332	16,118
Accounts receivable and related	89,169	97,631
Other receivables	21,702	33,544
Supplier accounts payable and related	30,376	33,082
Debt on fixed assets	0	0
Other debt	60,291	65,640
Financial expenses	31	38
Income from equity investments	15,659	15,593
Other financial income	665	663
(1) Difference in equity method valuation:	0	0

No transaction was made outside of normal market conditions.

NOTE 14 – ACCRUED INCOME AND EXPENSES

▸ NOTE 14.1 - ACCRUED ASSETS

In thousands of euros	31.12.2013	31.12.2014
Receivables from affiliates	55	53
Other financial assets	0	0
Accounts receivable and related	6,465	2,928
Other receivables	2,502	1,622
Cash & cash equivalents	0	2

▸ NOTE 14.2 - ACCRUED EXPENSES

In thousands of euros	31.12.2013	31.12.2014
Bank loans and debt	678	168
Other loans and financial liabilities		
Supplier accounts payable and related	29,227	24,820
Tax and social liabilities	28,516	31,195
Debts on fixed assets and related accounts	101	1,849
Other debt	12,410	18,926

NOTE 15 – PREPAID INCOME AND EXPENSES

In thousands of euros	Expenses	Income
Operating expenses / income	2,916	3,307
Financial expenses / income	442	
Non-recurring expenses / income		
Total	**3,358**	**3,307**

NOTE 16 – TRANSLATION DIFFERENCES ON DEBTS AND RECEIVABLES IN FOREIGN CURRENCY

In thousands of euros	Asset differences (1)	Liability differences
Loans and financial debt	914	721
Accounts receivable	371	747
Supplier accounts	88	2
Total	**1 373**	**1 470**

(1) Covered by a provision for risk amounting to €1,373 thousand.

NOTE 17 - REVALUATION DIFFERENCES

In thousands of euros	31.12.2013	31.12.2014
Assets		
Land	354	354
Investments in affiliates	554	554
Total	**908**	**908**
Liabilities		
Revaluation reserve (1976)	908	908
Other differences (equity method)	0	0
Total	**908**	**908**

NOTE 18 – BREAKDOWN OF SALES

In thousands of euros	2013	2014
A - Breakdown by Activity		
Production (Manitou BF)	566,685	604,372
Spare parts trading	127,748	131,117
Equipment trading	130,580	145,675
Total	**825,013**	**881,164**
B - Breakdown by market region		
France	283,730	264,833
Export	541,283	616,331
Total	**825,013**	**881,164**

NOTE 19 – REVERSALS OF PROVISIONS AND TRANSFERS OF EXPENSES

In thousands of euros	Income
Reversal of provision for contingencies	7,141
Reversals of impairment on tangible assets	189
Reversal of provision for impairment of working capital	13,782
Transfer of operating expenses (1)	4,837
Total	**25,949**

(1) The transfer of operating expenses item mainly consists of central services invoiced to Manitou Italia of €2,141 thousand and to Manitou Americas for €943 thousand, personnel expenses for continued training of €483 thousand, as well as the reinvoicing of various expenses.

NOTE 20 – FINANCIAL INCOME / EXPENSE

In thousands of euros	Expenses	Income
Income from securities		15,598
Exchange gains		10,608
Reversal of impairment provision on securities (1)		29,685
Other income		739
Interest on borrowings	2,922	
Currency exchange losses	10,653	
Other expenses	1,478	
Total	**15,053**	**56,630**

(1) The use of the equity method for investments in affiliates resulted in a reversal of provisions in 2014 of €29,685 thousand thereby reducing the provision at December 31, 2014 from €50,408 thousand to €20,723 thousand.

NOTE 21 – NON-RECURRING ITEMS

In thousands of euros	Expenses	Income
Proceeds from the sale of fixed assets		3,201
Proceeds from sale of financial assets (1)		401
Reversal of regulated provisions & accelerated depreciation		6,344
Reversal of provision for risks (2)		283
Other		135
Net expenses on sales of fixed assets	3,216	
Net expenses on sales of financial assets (1)	261	
Exceptional expenses for terminations (3)	2,082	
Increases in write-offs and accelerated depreciation (4)	1,368	
Other	686	
Total	**7,613**	**10,364**

(1) Of which, disposals of the shares in the subsidiaries SAVIM and SAEMIA

(2) Of which €220 thousand related to the removal of the subsidiary SAVIM shares.

(3) Indemnities and bonuses for departures related to changes in the company's governance and its reorganization.

(4) Of which, €709 thousand related to non-recurring write-offs associated with the expected cancellation of the commercial lease concerning a portion of the administrative buildings.

NOTE 22 – INCOME TAXES

In 2013, the companies MBF, CFM and Cobra signed a tax consolidation agreement. In accordance with that agreement, their respective tax expense is reported in the financial statements of each of those entities.

NOTE 22.1 - BREAKDOWN OF INCOME TAX

In thousands of euros	Income before tax	Taxes	Income after taxes
Income from recurring operations	43,238	441	42,797
Non-recurring income/expense	2,751	727	2,024
Net income	45,989	1,168	44,821

Taxable income after consideration of tax loss carry forwards of €5,488 thousand amounted to €1,267 thousand resulted in tax expense of €469 thousand.

Tax credits were simultaneously recorded in the same amount, i.e. €469 thousand. The tax credit included tax credits for research and apprenticeships of €218 thousand and €9 thousand, respectively, as well as credits for tax sharing agreements of a subsidiary, CFM for €242 thousand.

Lastly, the use of losses arising from merger-absorptions dating from 2011 caused the partial removal of technical losses resulting in a tax charge of €1,168 thousand.

NOTE 22.2 - RESEARCH TAX CREDIT

The amount of the research tax credit recorded for 2014 was €240 thousand.

NOTE 22.3 - INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

In thousands of euros	2014 Amount	
NATURE OF THE TEMPORARY DIFFERENCES		
INCREASES		
Regulated provisions at December 31, 2014	16,698	
Other tax differences		
Total	**16,698**	
INCREASES IN FUTURE TAX LIABILITIES		**5,936**
REDUCTIONS		
Provisions non-deductible in the year recorded	6,507	
Other (1)	33,357	
Total	**39,864**	
REDUCTIONS IN THE FUTURE TAX LIABILITY		**14,089**

(1) The total remaining amount of tax loss carry forwards at December 31, 2014 was €33,357 thousand thus reducing the future tax liability by €11,616 thousand.

NOTE 22.4 - IMPACT OF TAX VALUATIONS

In thousands of euros	31.12.2014
INCOME FOR THE PERIOD	**44,821**
Income taxes	1,168
INCOME BEFORE TAX	**45,989**
Other regulated provisions	-5 684
Other tax differences	
INCOME BEFORE TAX EXCLUDING THE IMPACT OF TAX VALUATIONS	**40,305**

NOTE 23 – LEASES

No real estate leases remained outstanding at December 31, 2014.

NOTE 24 – OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	31.12.2014
Sureties, deposits, collateral	592
Mortgages	
Shareholder agreements	575
Term sales of foreign currencies	97,280
Currency CAP	100,000
Rate swaps	125,000
Equipment repurchase commitments (1)	851

(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 – AVERAGE HEADCOUNT

Salaried employees	2013	2014
Managers	404	388
1st line supervisors	56	54
Technician-designers	457	414
Workers	929	933
Total	**1,847**	**1,789**

NOTE 26 – INDIVIDUAL TRAINING ENTITELEMENT (D.I.F.)

During the 2014 full-year period, costs associated with the French DIF (individual training entitlement) were taken into account within the framework of the agreement 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 176,021 hours as of December 31, 2014.

NOTE 27 – INFORMATION ON THE COMPENSATION OF OFFICERS

Total amount of compensation and benefits in-kind paid to corporate officers in 2014:

In thousands of euros or number of securities	Salaries	Mandates	Extra benefits	Number of stock options granted	Stock options exercised	Other provisions and commitments
Non-executive corporate officers	143	432				
Executive corporate officers	45	362	360			275

NOTE 28 – 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 29 – POST-CLOSING EVENTS

No major event, having any future impact or having any potential future impact on the interpretation of 2014 income, has taken place since December 31, 2014.

LIST OF SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2014

As for the valuation of investments in affiliates (note a.2.2 and b.4), and as the consolidated financial statements for 2014 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 of euros or foreign currency*	Capital	Reserves and retained earnings before attribution	% of equity held	**BOOK VALUE OF SHARES HELD** Gross	Net	Consolidated using the equity method	Loans and advances granted and outstanding	Amounts of guarantees provided by the company	Net sales	Income or loss (-)	Dividends received
I - Detailed information											
A – Subsidiaries (at least 50% owned by the company)											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
CFM	1,320	14,361	100.00%	1,716	1,716	15,681			15,160	437	5,016
Manitou Italia	5,000	79,551	100.00%	34,460	34,460	79,643			186,611	9,922	6,000
Manitou Benelux	500	4,673	100.00%	713	713	5,173			81,417	1,307	1,500
Manitou Portugal	600	6,547	100.00%	2,963	2,963	7,061			13,557	427	0
Manitou Deutschland	800	2,911	100.00%	8,712	8,712	3,711			84,055	1,263	1,400
Manitou Manutencion Espana	200	247	100.00%	200	200	447			1,700	41	
Manitou Interface & Logistics Europe	500	568	99.00%	495	495	1,068	11,441		33,941	259	
Manitou Nordics	242	49	100.00%	244	244	291			665	31	
	GBP	GBP							GBP	GBP	
Manitou UK	230	5,381	99.42%	598	598	6,104	11,207		109,853	1,624	
	USD	USD							USD	USD	
Manitou Americas	361,165	-151,558	100.00%	278,973	278,973	172,657	4,053		450,132	18,407	
	SGD	SGD							SGD	SGD	
Manitou Asia	400	10,174	100.00%	1,310	1,310	6,585	6,180		43,462	1,001	
	ZAR	ZAR							ZAR	ZAR	
Manitou Southern Africa	938	214,117	100.00%	2,219	2,219	15,322			464,076	24,165	
	AED	AED							AED	AED	
Manitou Middle East	1,000	36	100.00%	212	212	234			528	36	
	AUD	AUD							AUD	AUD	
Manitou Australia	400	5,688	86.00%	358	358	4,105	5,560		45,061	1,320	
	CNY	CNY							CNY	CNY	
Manitou China	59,938	-41,134	100.00%	5,705	5,705	2,378			13,578	-6,453	
	RUB	RUB							RUB	RUB	
Manitou Vostok	338	-179,466	100.00%	10	10	-2,389			1,073,011	-177,151	
	PLN	PLN							PLN	PLN	
Manitou Polska	200	933	100.00%	53	53	265			5,115	179	
	INR	INR							INR	INR	
Manitou South Asia	9,400	10,324	100.00%	137	137	257			59,126	10,329	
	BRL	BRL							BRL	BRL	
Manitou Brasil Manipulacao de Cargas	2,541	-514	99.83%	870	870	629	811		7,515	-114	
B – INVESTMENTS IN ASSOCIATES (10 to 50%)											
	EUR	EUR							EUR	EUR	
Manitou Finance France	4,682	29,137	49.00%	12,571	12,571				58,321	2,086	
	GBP	GBP							GBP	GBP	
Manitou Finance Ltd	2,870	5,301	49.00%	1,987	1,987				7,355	1,726	
	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	-4,081	50.00%	1,448	1,448				21,339	-6,915	
I I - General information											
A - Subsidiaries excluded from paragraph I	None										
B - INVESTMENTS IN AFFILIATES excluded from paragraph I	None										

INVENTORY OF SECURITIES HELD

COMPANY *In number of units or shares or in thousands of euros*	Type and par value	Currency	Number of units or shares	Original book value	Equity consolidation method value
CFM	Shares at 20	EUR	6,600	1,716	15,681
Manitou Finance France SAS	Shares at 1000	EUR	12,571	12,571	12,571
Manitou UK	Shares at 1	GBP	228,670	598	6,104
Manitou Italia	Shares at 1	EUR	5,000,000	34,460	79,643
Manitou Benelux	Units of 500	EUR	999	713	5,173
Manitou Asia	Shares at 1	SGD	400,000	1,310	6,585
Manitou Portugal	Shares at 5	EUR	120,000	2,963	7,061
Manitou Deutschland	Shares at 800,000	EUR	1	8,712	3,711
Manitou Southern Africa	Units of 1	ZAR	937,500	2,219	15,322
Manitou Finance Ltd.	Units of 1	GBP	980,000	1,987	1,987
Algomat	Shares at 1,000	DZD	6,080	74	74
Manitou Americas	Shares at 361,101	USD	1	278,973	172,657
Manitou Australia	Shares at 1	AUD	344,000	358	4,105
Manitou China				5,705	2,378
Manitou Manutencion Espana	Shares at 1	EUR	200,000	200	447
Hangzhou Manitou Machinery Equipment				1,448	1,448
Manitou Vostok	Shares at 1			10	-2,389
Manitou Polska	Units of 1	PLN	400	53	265
Manitou Interface & Logistics Europe	Shares at 500	EUR	495	495	1,068
Manitou South Asia	Shares at 10	INR	939,999	137	257
Manitou Brasil Manipulacao de Cargas	Shares at 1	BRL	2,537,070	870	629
Manitou Nordics	Shares at 1	LVL	170,000	244	291
Manitou Middle East	Shares at 1	AED	1,000,000	212	234
LMH Solutions	Shares at 10	EUR	1,000	10	10
Total				**356,038**	**335,312**

COMPANY RESULTS OVER THE LAST FIVE YEARS

In euros	**2010**	**2011**	**2012**	**2013**	**2014**
I - AS AT YEAR-END					
a) Share capital	37,564,540	39,548,949	39,548,949	39,548,949	39,548,949
b) Number of shares issued	37,564,540	39,548,949	39,548,949	39,548,949	39,548,949
c) Number of convertible bonds					
II – COMPREHENSIVE INCOME OF ACTUAL OPERATIONS					
a) Sales excluding taxes	544,957,041	774,866,291	851,301,672	825,013,338	881,163,431
b) Income before taxes, depreciation, amortization, provisions and employee profit sharing	26,250,478	54,125,075	24,288,590	-4,095,475	32,097,756
c) Income taxes	-1,228,671	5,147,938	-821,743	8,011	1,168,145
b) Income after taxes, depreciation, amortization, provisions and employee profit sharing	-2,631,409	29,516,469	39,808,642	-14,308,417	44,820,578
e) Total dividends paid	0	0	11,864,685	17,797,027	0
III – INCOME PER SHARE FROM OPERATIONS					
a) Income after taxes but before depreciation, amortization, provisions and employee profit sharing	0,73	1,24	0,63	-0,10	0,78
b) Income after taxes, depreciation, amortization, provisions and employee profit sharing	-0,07	0,75	1,01	-0,36	1,13
c) Dividend per share		0,30	0,45	0,45	
IV - PERSONNEL					
a) Number of employees	1,214	1,477	1,718	1,847	1,789
b) Total salary expense	41,987,074	58,211,261	64,735,908	71,664,769	70,426,403
c) Amounts paid for employee benefits	17,779,581	23,472,392	35,388,501	36,160,048	38,172,381

8.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2014

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 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 2014, 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. 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 includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. 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 2014 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 to the financial statements outlines the procedures used to value 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 these interests in the company financial statements is calculated in accordance with these same standards.

Note 11 to the financial statements discloses the fact that your company sets aside provisions in respect of customer guarantees and campaigns. In particular, our work consisted in assessing the information and assumptions determined by management on which such accounting estimates are based, reviewing, on a test basis, the company's calculations and comparing the accounting estimates of prior periods with the corresponding actual data.

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 capitalise and amortise development costs and test their recoverable amount, and are satisfied that note 1.3 to the financial statements 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 expression of our opinion 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 Board of Directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the directors 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 the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of voting rights has been properly disclosed in the management report.

Orvault and Nantes, 30 March 2015

The Statutory auditors

French original signed by

RSM Ouest	**Deloitte & Associés**
Nicolas Perenchio	Thierry de Gennes

8.4.2. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED 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 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 authorised 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 authorised during the year

We hereby inform you that we have been advised of the following agreements or commitments which were previously approved by your Board of Directors pursuant to the provisions of article L. 225-40 of the French Commercial Code.

COMMITMENTS UNDERTAKEN ON BEHALF OF MR. MICHEL DENIS, PRESIDENT & CEO SINCE 13 JANUARY 2014

On 8 January 2014, your Board of Directors approved the payment of a termination benefit to Mr. Michel Denis, appointed President & CEO effective 13 January 2014, in the event his 4-year mandate were to be revoked before expiration or not renewed following the 4-year term's conclusion, unless the revocation or non-renewal is due to gross negligence.

The amount of the termination benefit was set at 100% of the fixed and variable remuneration and the long-term incentive paid during the year preceding the year in which the revocation becomes final or the year in which the mandate was not renewed, provided that the bonus criteria are more than 35% satisfied over the period under consideration.

In addition, the President & CEO shall comply with a non-compete obligation for a period of twelve months following the end of his mandate, regardless of the reasons for the termination of said mandate. In consideration for this obligation, the President & CEO shall receive compensation equal to half of his monthly fixed remuneration received during the last month preceding the termination of his mandate and payable at each month-end for a period of one year following the effective termination of said mandate.

8.4.2.2. AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorised 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 authorised in previous years have had continuing effect during the year.

AGREEMENT WITH MRS. JACQUELINE HIMSWORTH, VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

Current account

Mrs. Jacqueline Himsworth's current account totalled €64,362 (including interest, net of deductions) as of 31 December 2014. This account bore interest at 2.79%. The amount of interest assumed by your company in this respect totalled €2,449 in 2014.

AGREEMENT WITH MR. BRAUD (CHAIRMAN OF THE BOARD OF DIRECTORS) AND MRS. BRAUD

Current account

Mr. and Mrs. Braud's current account totalled €4,575,977 as of 31 December 2014 (including interest, net of deductions). This account bore interest at 2.79%. The amount of interest assumed by your company in this respect totalled €125,582 in 2014.

COMMITMENTS UNDERTAKEN ON BEHALF OF MR. DOMINIQUE BAMAS, PRESIDENT & CEO FROM 6 MARCH 2013 TO 13 JANUARY 2014

Following the departure of Mr. Dominique Bamas on 13 January 2014, your Company assumed in 2013 a gross compensation of €360,000, calculated in accordance with the terms and conditions set by the Board of Directors on 6 March 2013. This compensation was paid in January 2014.

The non-compete clause approved by the Board of Directors on 6 March 2013 was lifted by the Board of Directors on 8 January 2014 and was therefore not applicable in 2014.

Orvault and Nantes, 30 March 2015

The Statutory auditors

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