

# HANDLING YOUR WORLD

2015 ANNUAL REPORT



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**MANITOU** **GEHL** **MUSTANG**

**MANITOU**  
**GROUP**

# HANDLING YOUR 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.



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Cover photo:

Located at Crazy Horse Memorial, in the Black Hills of South Dakota, the huge granite sculpture of Lakota Warrior, Crazy Horse, was started by Polish sculptor Korczak Ziolkowski upon the request of Lakota Chief Henry Standing Bear, to honor all North American Indian Tribes.

On this picture, the first rotating Manitou telescopic, an MRT 3255 delivered in May 2015, makes it possible to remove large pieces of granite that have been separated from the Mountain and to move pieces of equipment to and from working areas.

# GROUP PROFILE

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 €1.287 billion in 2015 in 140 countries and employs 3,214 staff who are resolutely focused on customer satisfaction.**



**1972**

Group's internationalization began.

**1981**

Manitou's first telehandler launched.

**1993**

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

**1996**

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

**2004**

Manitou celebrated its 200,000<sup>th</sup> forklift manufactured and sold, across the world.

**1958**

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

**1972**

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

**1984**

The company went public.

**1995**

Aerial work platforms launched.

**1998**

Marcel Braud took office as Chairman of the Supervisory Board.

**2006**

Manitou surpassed the one billion euro sales mark.

# 80%

OF SALES GENERATED  
ABROAD

# € 1.287bn

2015 REVENUE



GROUP LISTED ON  
THE PARIS STOCK  
EXCHANGE

# 65%

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

# 3,214

EMPLOYEES WORLDWIDE

# 9

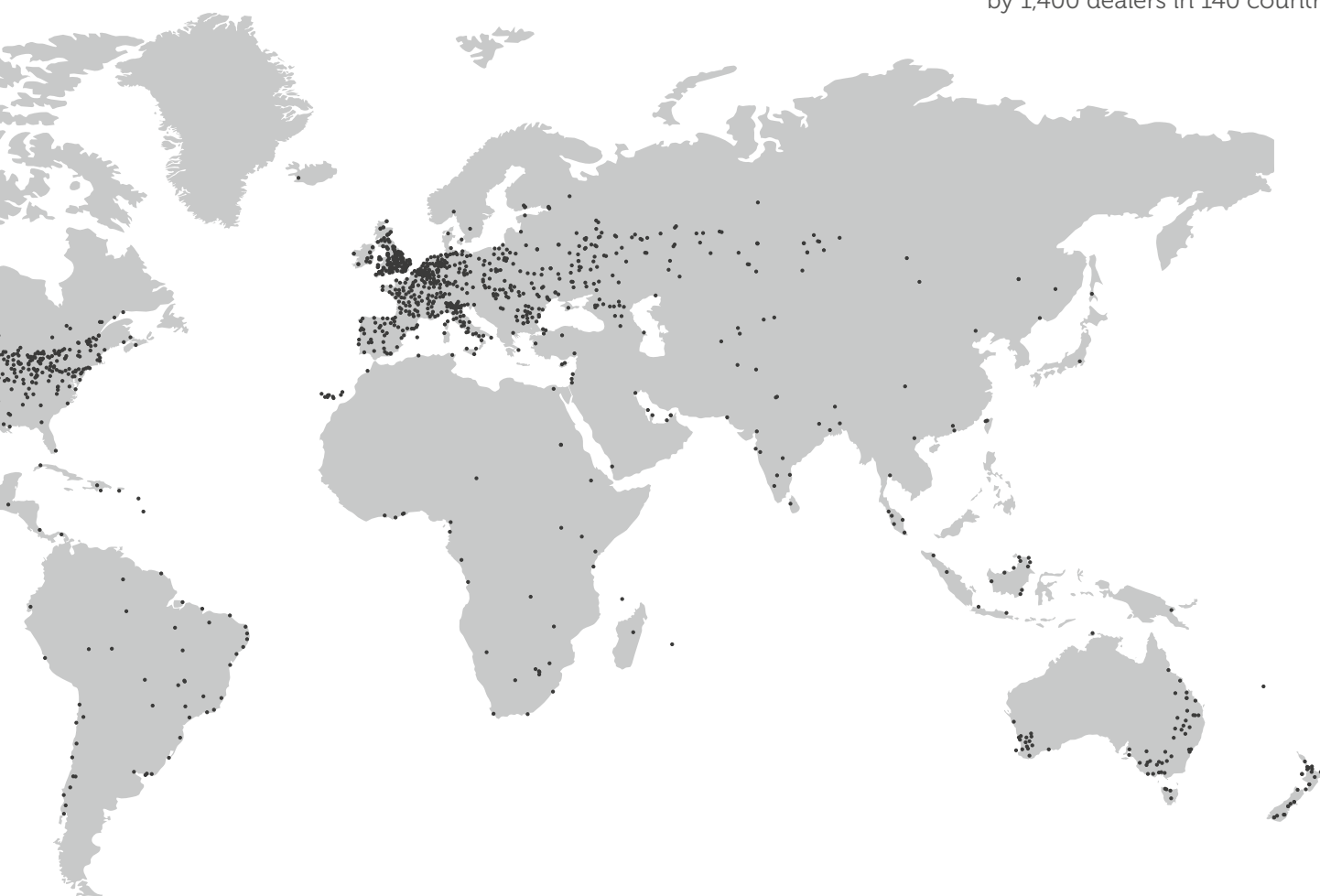
PRODUCTION  
SITES

# 21

SUBSIDIARIES  
WORLDWIDE

3 brands distributed  
by 1,400 dealers in 140 countries



## 2007

Manitou inaugurated a 22,000 m<sup>2</sup> international logistics center.

## 2009

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

## 2011

Family shareholding reorganized.

## 2013

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

## 2015

Celebration of the 500,000<sup>th</sup> machine sold in the world.

## 2008

The American Gehl Company was acquired.

## 2010

Gehl and Mustang articulated loaders launched.

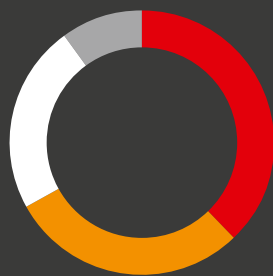
## 2012

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

## 2014

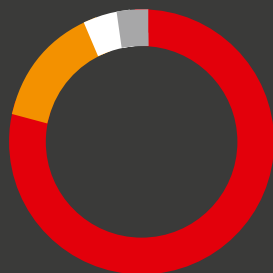
January: Michel Denis appointed as President and CEO.  
April: new roadmap hinged on the three divisions, including one for service.

# KEY FIGURES



38% — Northern Europe  
29% — Southern Europe  
23% — Americas  
10% — APAM

**SALES PER GEOGRAPHIC AREA IN %**



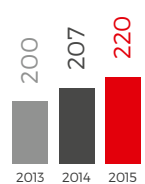
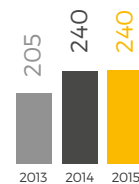
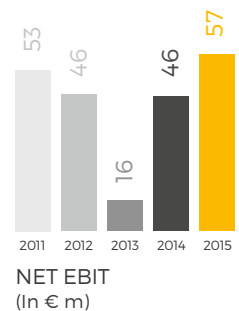
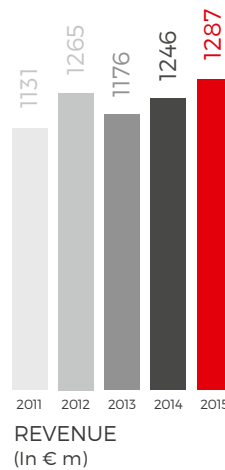
79% — Production  
15% — Spare parts  
4% — Trade  
2% — Services

**SALES PER TYPE IN %**

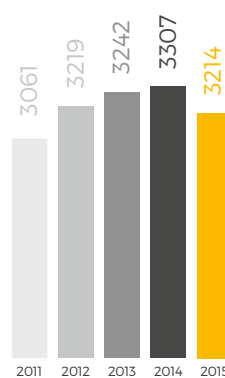
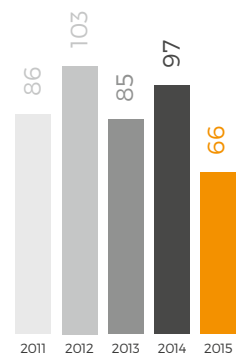
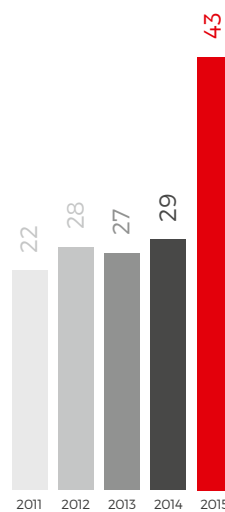


45% — Construction  
33% — Agriculture  
22% — Industries

**SALES PER MARKET IN %**



**SALES PER DIVISION (In € m)**



# KEY EVENTS OF 2015

LAUNCH OF THE RANGE OF XPRT  
ORIGINAL SPARE PARTS FOR  
THE GEHL AND MUSTANG BRANDS



CELEBRATION OF THE  
500,000<sup>th</sup> MACHINE SOLD  
THROUGHOUT THE WORLD

INAUGURATION OF THE MANITOU  
NORDICS TRAINING CENTER



SIGNATURE OF THE  
UN GLOBAL COMPACT



SUSTAINABLE DEVELOPMENT  
WEEK: "2015 ELEVATION DAYS"



NEW BOND ISSUE OF  
€ 25 m

PRESENTATION OF THE HYDRAULIC  
HYBRIDIZATION CONCEPT  
"ECO-BOOSTER"



LAUNCH OF "REDUCE TCO"  
(HIGHLIGHTS ALL COSTS RELATED TO THE TOTAL COST OF  
OWNERSHIP OF A MACHINE)

**REDUCE**  
TCO PROGRAM

NEW "B to C" ACTIVITIES IN  
GERMANY AND SPAIN



INAUGURATION OF THE  
MANITOU SUBSIDIARY IN DUBAI  
(MANITOU MIDDLE EAST)



PARTICIPATION IN THE COP 21



# BOARD OF DIRECTORS

## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

2015 was a year of celebration for the Manitou group, because we produced and sold the 500,000<sup>th</sup> forklift-truck throughout the world! This important stage is the fruit of the commitment of all our players: employees, dealers, partners,... Everyone made their contribution to our success. The Board of Directors is proud to be able to welcome this collective performance, at a time when the company has returned to sound fundamentals, a stable organization and now has an undeniable growth momentum.

Beyond the challenges that have been met over the last few years, we must develop our ability to improve our know-how and business lines. The quality, ergonomics and design of our products remain sound advantages, recognized by the entire profession. But usage patterns are changing, and with them our economic and commercial models must also change. An entire service culture is being put in place, to which we must adapt ourselves, or better still, provide genuine innovative and competitive solutions. Aware of the strategic importance of this change, the Board of directors will provide its full support to the implementation of this

new model, which will be able to consolidate the leadership of the group.

At the geographical level, the group is continuing its expansion by opening new entities: subsidiary in the Middle East, training center in Estonia,... Vast markets are open to us and our understanding of their cultures will enable us to fulfill specific requirements, country by country.

The entire history of the Manitou group is based on innovation, international development and attentiveness to customers. Our day-to-day challenge is more than ever to maintain our progress in a responsible and sustainable manner, to develop our market share and to continue to be worthy of the trust of our customers.

### Marcel Braud

Chairman of the Board of directors

“WHAT MAKES MAN IS HIS GREAT ADAPTABILITY”  
Socrates



## 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 (4)

Dominique Bamas\* (3)

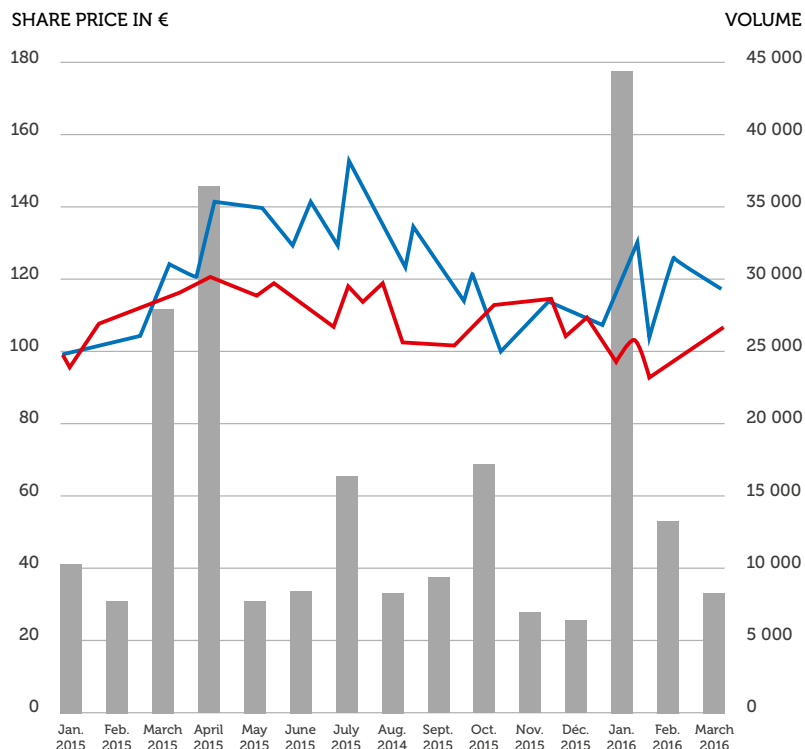
Pierre-Henri Ricaud\* (6)

Agnès Michel-Segalen\* (4)

*\* Independent members in  
accordance with MiddleNext  
recommendations*



# MANITOU ON THE STOCK EXCHANGE



## INDEX AND VOLUME EVOLUTION OF MANITOU SHARE SINCE 01.01.2015

■ Volume ■ Manitou ■ Cac all-tradable

## ANALYSTS COVERING THE MANITOU SHARE

**CM-CIC Market Solutions**  
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**  
Thomas Oillac

**Société Générale**  
**Cross Asset Research**  
Christophe Quarante

**Financière d'Uzès**  
Catherine Vial

## SHARE PRICE IN €

	2011	2012	2013	2014	2015
Highest	24,99	19,70	14,55	14,11	19,5
Lowest	10,01	10,86	9,42	10,51	12,1
Year-end price	11,74	13,00	13,80	12,20	14,1
Change in the year	- 32,2 %	+ 10,7 %	+ 6,2 %	- 11,6 %	+15,6 %
CAC Mid & Small change	- 21,4 %	+ 20,5 %	+ 26,7 %	+ 8,4 %	+18,2 %

Market capitalization at December 31 in millions of €	464	514	546	482	558
Average number of shares traded daily	35 755	18 319	17 524	12 267	13 567
Number of shares traded annually	9 189 032	4 689 715	4 463 012	3 128 126	3 473 000
Number of shares at December 31	39 547 824	39 548 949	39 548 949	39 548 949	39 551 949
Share turnover rate	23,8 %	11,9 %	11,3 %	7,9 %	8,8 %

## THE MANITOU SHARE IS LISTED ON EURONEXT PARIS

- EUROLIST compartiment B
- Code ISIN : FR0000038606

## CAPITAL & SHAREHOLDERS:

Capital of € 39,551,959

## STOCK MARKET INDEXES:

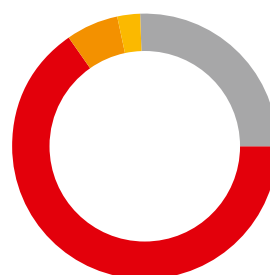
CAC All Share, CAC All-Tradable, CAC Ind. Engin., CAC Industrials, CAC Mid & Small, CAC Small, Enternext PEA PME 150

## SHARE MANAGEMENT:

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

## RESPONSIBLE FOR FINANCIAL INFORMATION

Hervé Rochet  
Corporate secretary - CFO



## MAIN SHAREOLDERS

- 65,4% — Braud and Himsworth families
- 6,3% — Yanmar
- 2,8% — Toyota
- 25,5% — Stock market and others



# EXECUTIVE COMMITTEE

## COMEX MEMBERS

Michel Denis,  
President and CEO <sup>(5)</sup>

Maxime Deroch,  
Président S&S Division <sup>(2)</sup>

Daniel L. Miller,  
Président CEP Division <sup>(6)</sup>

Fernand Mira,  
Président MHA Division <sup>(3)</sup>

François-Frédéric Piffard,  
EVP, Sales & Marketing <sup>(4)</sup>

Guillaume Rabel-Suquet,  
EVP, Human Resources <sup>(7)</sup>

Hervé Rochet,  
Corporate Secretary, CFO <sup>(1)</sup>

# STRATEGIC PRIORITIES



1

## Clients

PLACE  
CUSTOMER  
SATISFACTION  
AT THE HEART  
OF OUR ACTIONS

GET AHEAD OF  
THE COMPETITION  
BY GAINING  
MARKET SHARES

## Machines and services

2

DESIGN COMPETITIVE  
MACHINES  
AND SERVICES

PREPARE  
FOR THE FUTURE  
BY INVENTING THE  
SOLUTIONS  
OF TOMORROW

3

## Organization

REINFORCE THE  
ENTREPRENEURIAL  
DIMENSION AND  
INCREASE OUR  
COMPETITIVENESS

ACCELERATE OUR  
CAPACITY TO DELIVER  
BY REDUCING OUR  
COMPLEXITY

## With the teams

4

MAKE EACH EMPLOYEE  
AWARE OF HIS/HER  
RESPONSIBILITIES

PROVIDE THE POSSIBILITY FOR  
DEVELOPMENT

PROMOTE AN  
ENTERPRISING SPIRIT



# CORPORATE SOCIAL RESPONSIBILITY

The group's handling vocation is also our raison d'être and a true commitment to all our stakeholders. By making the world of each of our customers', and by extension the whole world, the field for our activities, we are solidly confirming our desire to provide solutions and services while remaining as close as possible to each handling requirement, whatever the country, field or application.

«Handling Your World» means inventing and creating new markets; it means anticipating the handling of tomorrow in a sustainable and lasting way, and also means transforming usage. Between the basic requirement to handle increasingly heavy loads and the more sophisticated requirements to develop tailor-made accessories, our mission remains the same: to create an adapted handling solution for our customers, guaranteeing optimum safety for them and improving their working conditions.



## HANDLING YOUR WORLD

**OUR MISSION:** «Create, accompany and develop the handling market»

<b>OUR COMMITMENT:</b>	Manitou Group makes a responsible and lasting commitment to provide the best innovative solutions, creating value for all its stakeholders, at every stage in the product's life cycle.			
<b>OUR CONTEXT:</b>	80% of the group's environmental impact is related to the use of our products	500,000 people use our machines every day. 50% of employees are operators at 9 production sites	Purchasing accounts for 75% of the value of our products. 1,400 dealers worldwide	3,214 employees on 6 continents
<b>OUR OBJECTIVES:</b>	<b>Environmental footprint</b> on the «life cycle»	<b>Health and safety</b> of users and of our employees	<b>A solid sector and partnerships</b>	<b>A committed employer</b>
<b>OUR PLAN:</b>	<div>  <ol style="list-style-type: none"> <li>1 PROVIDER OF SUSTAINABLE SOLUTIONS</li> <li>2 POWERED BY MANITOU PEOPLE</li> <li>3 IN CLOSE PARTNERSHIP WITH OUR SUPPLY CHAIN</li> </ol> </div>			



### END-CUSTOMERS & USERS

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

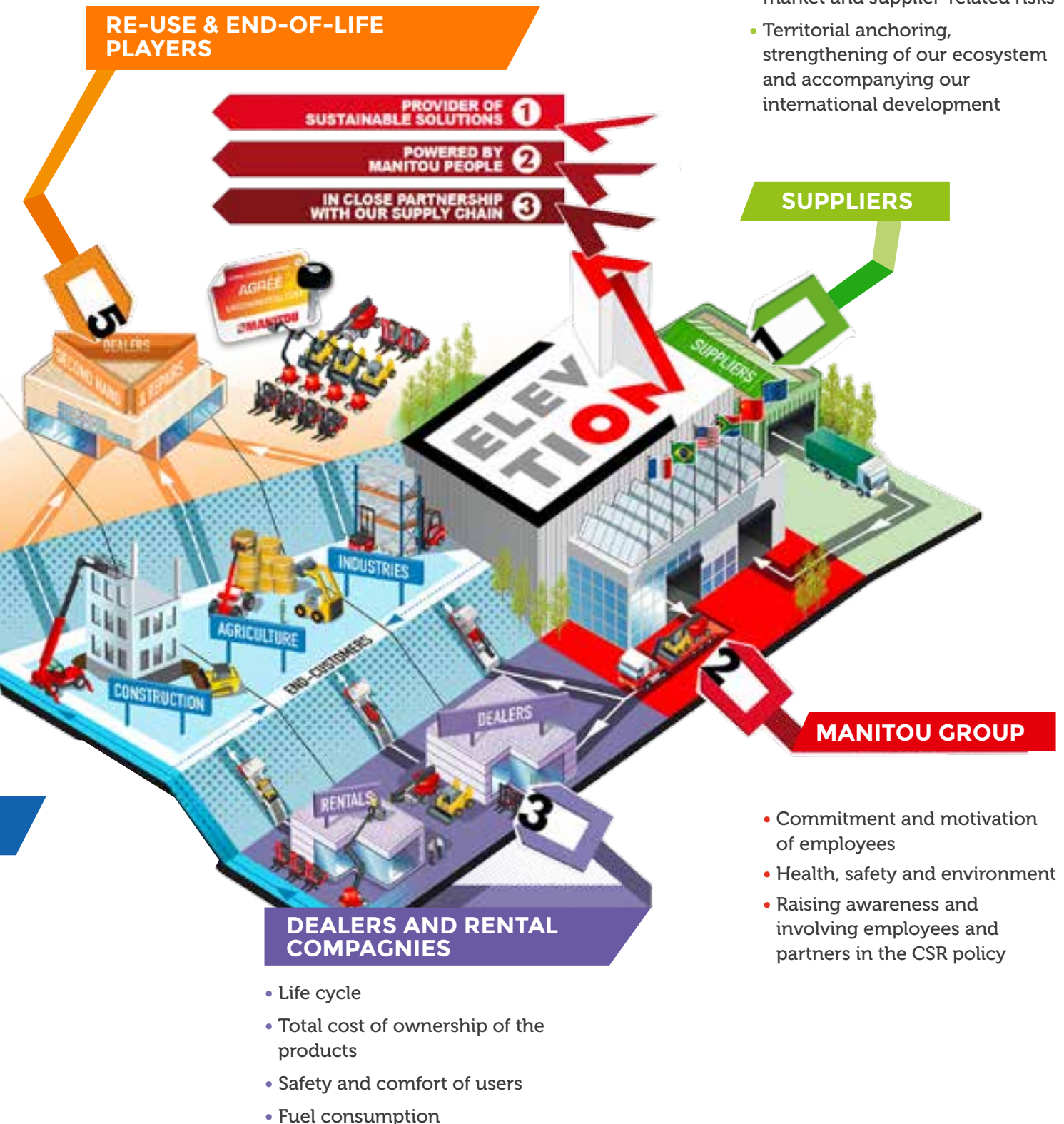


From a machine's design to the end of its life, discover how the Manitou group involves each of its stakeholders in its «**ELEVATION**» CSR process.

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

- 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

## RE-USE & END-OF-LIFE PLAYERS



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

# 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 to implement its strategy in a pragmatic and innovative manner.

## Designer

PRODUCT INNOVATION,  
THE KEY TO A SUCCESSFUL  
DEVELOPMENT STRATEGY

The continual search for innovation and optimization of its sourcing allow the Manitou Group to anticipate the market's needs by designing products which fully meet its customers' needs. The Manitou, Gehl, Mustang, Loc and Edge equipment have a constant competitive edge that is much appreciated by all of their users.

## Providing Service and Value

THROUGHOUT THE PRODUCT'S LIFE  
CYCLE

The manufacturer focuses their attention on listening to their customers, satisfying their needs and seeking to create value. The Manitou group designs products and services that are the most adapted to meeting their needs and to working alongside them throughout the product's life cycle.

Objective: to search for the best performance, the greatest usage comfort and the highest level of reliability, including awareness of fuel consumption and product second life control.

## 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.

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



# 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.

ECO-BOOSTER: presented as an advance preview at the Agritechnica show at the end of 2015, the ECO-BOOSTER is a hydraulic hybridization system which enables end-users to improve the effectiveness of their working tools while reducing their ecological footprint. This hybrid system comprises intelligent engine and transmission control, which assists all of its functions. It acts by automatically adjusting the transmission ratio and the engine speed, thereby ensuring optimum fuel consumption. A technological innovation deployed on one of the most recent Manitou telescopic forklift-trucks.



REDUCE-TCO is a program presented at the end of 2015 that enables all the costs that are part of total equipment ownership cost to be highlighted. This initiative highlights the most significant cost centers, to make users aware of how to reduce or optimize them. Manitou is the 1<sup>st</sup> manufacturer to communicate concerning a TCO approach, to include this concept from the design of its machines and to provide its customers with a tool to provide them with information.

**REDUCE**  
TCO PROGRAM

Gehl 650 / Mustang 708: presented as an advance preview at Agritechnica (Hanover) at the end of 2015, these new high capacity articulated loader modules complete the Gehl and Mustang ranges. They have been designed to respond to harsh working environments, such as in the agricultural sector, and feature numerous items of comfort equipment as standard.









# 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: all-terrain, semi-industrial and industrial masted forklifts, 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).

## 2015 FOCUS

€ **827 m**  
= 64% OF TOTAL SALES  
Staff: 1,536 persons

2015 was the first year of full operational implementation of the new MHA division. 4 policies were identified for the period until 2018, focused on the essential guiding principle, **Customer Satisfaction**:

- **LEADERSHIP PRODUCT**
- **INDUSTRIAL AGILITY**
- **PRIDE and COMMITMENT**
- **PROFITABILITY and LONG-TERM SUSTAINABILITY**

The 2015 MHA roadmap, applied in each of the 4 product units, has been complied with, with operational performance that contributed broadly to the results of the group; this while maintaining ambitions in terms of fundamental industrial projects, new products and cost reduction.

As well as operational performance, we should also mention the notable progress in matters of safety and the environment, as well as the implementation of an ambitious program to renew and upgrade industrial equipment, as well as to construct «intelligent» buildings intended for the Corporate teams (Corporate secretary).

The cadence that was set, the clarity of the initiative, the decision-making and the responsiveness of all players within the teams were decisive factors, for which the principle has been renewed for the implementation of the 2016 roadmap.

In 2016, the emphasis will be on:

- The renewal of product ranges and/or the creation of new ones
- The continuation of cost-reduction programs
- Collaborative projects with suppliers and professional institutions
- Projects to internationalize manufacturing and/or subcontracting

# CEP

COMPACT  
EQUIPMENT  
PRODUCTS

## DIVISION

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.

€ 240 m

= 19% OF TOTAL SALES

Staff: 623 persons

### 2015 FOCUS

In 2015, the compact equipment division, trademarked Gehl® and Mustang® strengthened its world-wide presence by designing, developing and introducing two new larger capacity articulated loaders to the compact equipment product offering. The growing demand of this enhanced product offering positioned the compact equipment division to drive additional long-term growth for the Manitou Group by capitalizing on agricultural, construction, rental markets and new business opportunities.

New technology is continually being implemented into our production facilities to assure quality and market position in order to capture growth world-wide.













# S&S SERVICES AND SOLUTIONS DIVISION

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 and Solutions – to develop an efficient services hub tailored to current customer concerns.

## 2015 FOCUS

€ 220 m  
= 17% OF TOTAL SALES  
Staff: 467 persons

For the S&S division, the year 2015 has seen the roll-out of its roadmap, with the launch of many projects and the completion of some.

### The task of the S&S division is to provide added value,

- **for our end-users, rental and key-account customers**, particularly through the development of packaged offers providing them with total control of the costs of ownership of our machines (full-service offers) and actions to measure and reduce Total Cost of Ownership (TCO), leading in certain cases to savings of more than 15% of maintenance costs in 2015;
- **for our dealers**, through the establishment of projects to still further improve excellence in matters of Service Level Agreements (SLA), such as, in 2015, setting up new tools for managing the supply of spare parts (GIM) and facilitated online access to technical data on our products (my-e-doc). Other fundamental projects such as the development of telematics and e-commerce are ongoing and should be finished in 2016;
- **for the group**, with an improvement in the operational margin and the result of the division.

These changes are profound and differentiate us from our competitors, while remaining in phase with the major developments in our society (digitization, the usage economy rather than the possession economy, the Internet of things and disintermediation). The «services» machine is in operation.

# APPLICATIONS MARKETS

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.



Agriculture



**HELPING**  
PEOPLE WORK,  
WHATEVER THE TERRAIN  
**33%**

2015 REVENUE





Construction

**BUILDING**  
TODAY'S WORLD  
FOR TOMORROW

**45%**

2015 REVENUE





# APPLICATIONS MARKETS



Industries

**A HANDLING SOLUTION  
FOR EVERY INDUSTRY**

**22%**

2015 REVENUE





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

# SALES REGIONS

Americas

€ 299m

2015 REVENUE



APAM\*

€ 129m

2015 REVENUE



\*Asia, Pacific, Africa,  
Middle-East.







Northern Europe

€ 489m

2015 REVENUE



Southern Europe

€ 370m

2015 REVENUE









# FINANCIAL REPORT 2015

**MANITOU**  
GROUP

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# FINANCIAL REPORT 2015

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# 1.

## MANITOU AND THE GROUP

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### 1.5

PROPERTY,  
PLANT &  
EQUIPMENT

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# 1.1 KEY FIGURES

## ■ CONSOLIDATED FINANCIAL INDICATORS

*in millions of euros (except for headcount)*

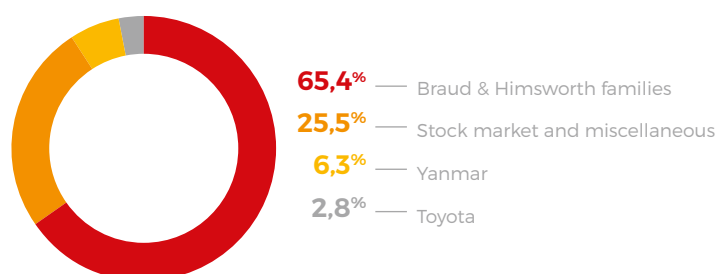
	2014*	2015
Sales	1 246	1 287
Recurring operating income	48	61
Operating income	46	57
Operating income including net income from associates	48	60
Net income attributable to equity holder of the parent	30	32
Shareholders' equity	455	495
Balance sheet total	923	962
Annual dividends related to the year reported paid (or proposed) in the following year (in euros)**	0,35	0,36
Cash flow	40	56
Net debt***	97	66
Total headcount as at December 31	3 307	3 214

\* 2014 was restated for IFRIC 21 (see note 1.2 in the notes to the consolidated financial statements)

\*\* Subject to approval by the Shareholders' Meeting on June 9, 2016

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

## ■ SHAREHOLDER STRUCTURE AT DECEMBER 31, 2015



Market capitalization at December 31, 2015: €558 million

Share price at December 31, 2015: €14.10

Number of shares: 39,551,949

Indices: CAC ALL-SHARE, CAC All-Tradable, CAC IND. ENGIN., CAC INDUSTRIALS, CAC MID & SMALL, CAC SMALL, ENTERNEXT PEA PME 150

Eligible for DSS long-only (Deferred Settlement Service)

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" was founded in Ancenis in the Loire Atlantique region of France.

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

**The 70's** Beginning of the group's internationalization: The creation of distribution subsidiaries in the UK, Italy, etc.

The beginning of the distribution of Toyota industrial forklift trucks in France.

**In the 80's** The Group refocuses its business 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 forklifts.

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

**2004** Manitou signs a 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 causes 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 a new range of Manitou industrial trucks in France.

Signature of a partnership with Yanmar in North America.

**2013** The end of the mast assembly contract with Toyota France (TIE SA) as of January 1, 2015. Yanmar acquires a 6.26% stake in Manitou.

\* The company is indifferently referred to as either «Manitou» or «Manitou BF» in this document.

## ■ 2014 AND 2015 HIGHLIGHTS

**January 2014** Appointment of Michel Denis to the position of President & Chief Executive Officer.

**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).

**February 2015** On the occasion of the international exhibition of suppliers of agriculture and livestock (SIMA), Manitou presents the Eco-driver, a driving simulator to virtually measure the equipment consumption and provide practical advice to users to reduce their usage costs and environmental impact.

**April** Participation at Intermat, the international exhibition of equipment and techniques for the construction and materials industries. The group introduces the MAN'GO 12, a new compact and aerial work platform with an innovative design which can comfortably carry 2 operators to 12 meters working height.

**June** The Manitou Group adheres to the United Nations Global Pact, pledging to annually communicate the actions taken and the results achieved from the implementation of the pact's 10 principles (human rights, working conditions, environment...)

**July** Manitou announces the creation of a new private bond of €25 million from the Novo funds. That loan will extend the maturity of the group's debt and widen the base of its disintermediated financing without increasing the group's gross debt.

**September** Decentralization of the warehousing business through the creation of a new subsidiary called LMH Solutions SAS, based on a dedicated industrial site. That organization's objective is to provide a higher level of agility and responsiveness in the development and production of specific products with a high added value.

**November** Manitou unveils its new hybridization eco-concept baptized «The Eco-boost» exclusively at the Agritechnica trade show, an international exhibition of agricultural equipment in Hanover. During its underloaded phase, the hydraulic energy is stored in batteries to be reused when the engine is solicited and requires additional power, thereby permitting savings in fuel consumption.



## 1.3 THE GROUP'S MAIN BUSINESSES

Manitou, the worldwide leader in material handling, designs, distributes and services equipment for the construction, agriculture and industrial sectors.

The group is organized around three operating divisions: 2 product divisions and a services division.

– **The MHA division** (Material Handling and Access) - handling equipment and aerial work platforms, develops and produces 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) develops and produces skidsteer loaders, track loaders, articulated loaders and telehandlers under the Gehl and Mustang brand names.

– **The S&S division** (Services & Solutions division) – combines all sales service activities (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 division elaborates its service offers permitting to respond to the expectations of each of the customer groups in our value chain and thereby increase the resilience of group sales.

The distribution of the group's full range of products and services is animated by the sales and marketing organization that develops, on one hand, the network of business partners (dealers) and, on the other, provides a direct contact to key accounts (international groups and rental companies). The group is active in 120 countries.

### ■ MHA DIVISION – MATERIAL HANDLING AND ACCESS

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 workers 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 industry 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 (masons, 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 attachment (bucket, jib, winch...) 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 six to ten meter telehandlers and can be equipped with a multitude of attachment (bucket, mixing, clamp) 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 7 tons, making it the highest telehandler in the world.

The very broad range of available attachment 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 like the UN, civil protection bodies, etc.

This equipment with attachment 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 fourteen metres.



## AERIAL WORK PLATFORMS FOR PERSONNEL

The platforms designed and marketed by the group include articulated, telescopic and vertical platforms. They allow a working height of between 8 and 28 meters depending on the model.

The platforms are powered by internal combustion engines for outdoor use and electrical motors for indoor use. A range of articulated aerial work platforms called "bienergy" are equipped with an internal combustion engine and an electrical engine which permits its batteries to be recharged without on-site transformers.

Most of the work 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. Sturdy 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 products developed by an industrial partner, capable of moving on fully stabilized ground, outdoors,
- electrically powered industrial forklift trucks purchased from a partner, for indoor use.



## TRUCK MOUNTED FORKLIFTS

The "Manitransit" forklift trucks are compact forklift trucks which use telescopic booms or masts aimed at responding to the handling needs of trucks.

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 permit 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 dealers 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 machine 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 attachment, enabling them to be used for a wide range of applications.

The main businesses using skid-steers include the construction, agricultural sector and to a lesser extent, the industrial sector.



### TRACK LOADERS

Since 2011, the division has been developing a range of track loaders driven by tracks instead of tires which makes them 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 to middle-capacity, compact equipment. A new range of high capacity loaders was presented at trade shows in 2015.



### 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 machines.

It also distributes spare parts and attachment 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.



### ATTACHMENT

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

These standard or custom made attachment 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 his 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 large customers, 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 warranties 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, with the goal ensuring standard quality servicing and maintenance throughout the world.

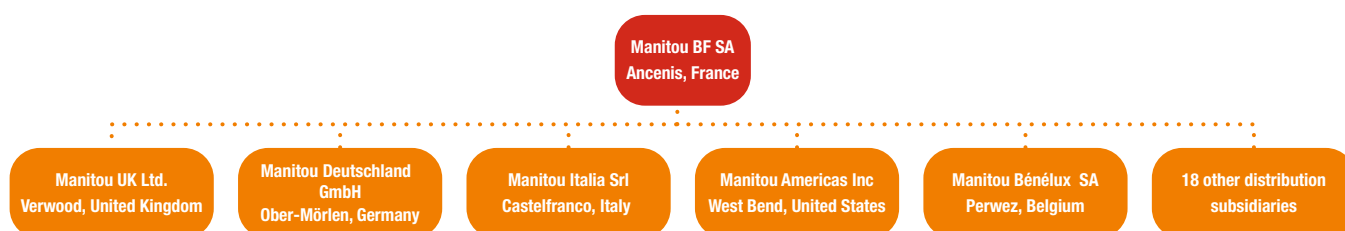
These training sessions are provided at production sites in France or the United States but also locally at certain subsidiaries with the objective of permitting our networks to be rapidly trained regarding any developments in our equipment.

### 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 GROUP ORGANIZATION CHART AND INFORMATION CONCERNING THE MAIN SUBSIDIARIES

## ■ GROUP CONSOLIDATION SCOPE AT DECEMBER 31, 2015



The detailed list of subsidiaries is available in note 33 of the notes to the consolidated financial statements.

## ■ 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	2015	2015	2014	2014
Sales	\$357.6m	€322.3m	\$450.1m	€338.8m
Net income	-\$0.8m	-€0.8m	\$18.4m	€13.9m
Headcount at end of period		714		833

### 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 high capacity forklift trucks. The company also distributes all the group's products in Italy.

IFRS	2015	2014
Sales	€180.5m	€186.6m
Net income	€6.7m	€9.9m
Headcount at end of period	261	256

### 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	2015	2015	2014	2014
Sales	£114.1m	€157.2m	£109.9m	€136.3m
Net income	£2.0m	€2.8m	£1.6m	€2.0m
Headcount at end of period		41		40

**Manitou Deutschland GmbH**

Diesel Strasse 34  
61239 Ober Mörlen – Germany

Business: The distribution of group products through dealers and to large customers in Germany, Austria and Switzerland. Direct management of a dealership in Germany.

A 100% owned subsidiary of Manitou BF

IFRS	2015	2014
Sales	€78.3m	€84.1m
Net income	€1.2m	€1.3m
Headcount at end of period	30	23

**Manitou Benelux SA**

Chaussée de Wavre – Zoning Industriel  
1360 Perwez – Belgium

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

A 100% owned subsidiary of Manitou BF

IFRS	2015	2014
Sales	€88.2m	€81.4m
Net income	€1.5m	€1.3m
Headcount at end of period	21	19

## 1.5 PROPERTY, PLANT & EQUIPMENT

### ■ EXISTING PROPERTY, PLANT & EQUIPMENT

The main wholly owned buildings are:

Country	Location	Approximate floor space in square meters	Main functions
France	Ancenis, 44	84,800	Headquarters for the group and the MHA and S&S divisions, research centre and assembly of fixed telehandlers.
	Ancenis, 44	30,000	Logistics Centre for Spare Parts.
	Candé, 49	9,500	Research and production centre for aerial work platforms.
	Laillé, 35	10,000	Production Centre for compact telehandlers.
	Beaupréau, 49	2,200	Research centre and production centre for warehousing equipment.
	Beaupréau, 49	8,000	Research centre and assembly platform for mastless forklift trucks and forklift trucks
Italy	Castelfranco, ER	18,600	Research and assembly platform for high capacity and rotating telehandlers.
United States	West Bend, WI	14,000	Headquarters and research centre for the Compact Equipment Products division.
	Madison, SD	24,000	Production centre for skid-steers.
	Yankton, SD	16,900	Production centre for telehandlers of the Compact Equipment Products division.
	Waco, TX	11,600	Assembly site for mastless forklift trucks and 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
United States	Belvidere, IL	16,400	Spare parts centre



# 2.

## 2015 MANAGEMENT REPORT

### 2.1

BUSINESS REVIEW

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### 2.2

FINANCIAL RESULTS

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### 2.3

RESEARCH AND  
DEVELOPMENT

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### 2.4

POST-CLOSING  
EVENTS

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NB: The comments below were written using the restated 2014 financial statements as a reference (IFRIC 21).

In a competitive economic environment, given the relatively low growth rates in mature countries and decreasing growth rates in developing countries (mining crisis, oil crisis), the Manitou group demonstrated during the year improved industrial agility, marketing innovations, and has better highlighted the quality of its products (low TCO\*, sturdiness, innovation).

Taking advantage of these levers, the group's sales amounted to €1,287 million, an increase of 3% compared to the prior full-year period.

The MHA division (material handling and aerial work platforms) reported an increase of 3% amounting to €827 million, having especially benefitted from strong sales to rental companies and an industrial redeployment which permitted an increase in production capacity and a decrease in delivery times.

The CEP division (compact equipment) maintained its invoicing level compared with 2014 with 5% growth in the North American market which benefited from a favorable EUR/USD exchange rate, however, a decrease in export sales due to the decline in the emerging markets and a stronger dollar, which penalized its competitiveness in those regions.

It should be noted that, in the second half-year period, the North American market suffered a stop in the investments of rental companies which were impacted by the decline in the shale gas extraction businesses.

The S&S division (Services & Solutions), with sales of €221 million, reported an increase of 7% compared to 2014, 5% on spare parts and accessories and, above all, 21% on the services business (second-hand sales, rentals, extended warranties, etc.).

Recurring operating income increased by €12.3 million amounting to €60.5 million, or 4.7% of sales, versus €48.3 million or 3.9% in 2014. After taking the exchange rate impact into account, the growth in group sales provided only a small contribution to the improvement in profitability.

The income can be explained by improvements in productivity based on the purchase price of components, on the costs of logistics and on the organization of the production lines.

There was also an improvement in the positioning of prices for both equipment and services, as well as control of overhead expenses.

Net income attributable to the group amounted to €32.3 million versus €30.4 million in 2014.

The group's balance sheet position remains stable with shareholders' equity representing 51% of the total balance sheet amount, net debt of €66 million and an improved gearing\*\* ratio of 13%.

\* TCO: Total Cost of Ownership

\*\* Gearing: as defined in paragraph 2.2.9 of this document.

## 2.1 MANAGEMENT REPORT

### 2.1.1 SALES PERFORMANCE

Group sales increased by 3% in 2015 compared to the prior year, benefiting from both the dynamism of the euro zone and the strengthened dollar.

– Northern Europe grew by 5%, driven by a very dynamic construction sector in the UK, good results in the Benelux countries, Central Europe and Scandinavia, while sales in Russia and Ukraine were slowed due to the geopolitical situation.

– Southern Europe remained stable, sales were down in the French market by 2% (at constant scope), but increased in the Iberian Peninsula and Turkey.

– The APAM region decreased by 5%, impacted by a decline in sales to the mining sector (South Africa, Indonesia, and Australia) as well as difficulties in delivering to Algeria, the government having sharply restricted imports of equipment.

– The Americas region increased by 8% due to the appreciation of the dollar versus the euro, while North America suffered in the second half-year period from a lack of investment in equipment by rental companies. South America is growing strongly despite the market decline in Brazil.

It should be noted that group sales were negatively impacted by the discontinuation of the sub-contract for the production of masts for Toyota France which accounted for €16 million in invoicing in the 2014 financial period.

#### ■ 2.1.1.1 CONSOLIDATED SALES

The Group is organized into three product and service 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.

### 2014 Sales

### 2015 Sales

Southern Europe	Northern Europe	The Americas	APAM *	Total	In millions of euros and as a % of total	Southern Europe	Northern Europe	The Americas	APAM *	Total
284.1 23%	374.0 30%	51.0 4%	90.7 7%	799.8 64%	MHA	281.3 22%	399.0 31%	58.4 5%	88.2 7%	826.8 64%
7.1 1%	27.0 2%	184.9 15%	20.9 2%	239.9 19%	CEP	8.7 1%	22.1 2%	193.0 15%	16.0 1%	239.8 19%
77.4 6%	63.2 5%	41.5 3%	24.7 2%	206.8 17%	S&S	79.7 6%	68.3 5%	47.1 4%	25.3 2%	220.5 17%
368.6 30%	464.2 37%	277.4 22%	136.3 11%	1,246.5 100%	Total	369.7 29%	489.4 38%	298.5 23%	129.5 10%	1,287.2 100%

\* Asia Pacific, Africa, Middle East

## ■ TRENDS AT CONSTANT CONSOLIDATION SCOPE AND EXCHANGE RATES

Sales in millions of euros	% vs. 2014 Sales	2014 Sales	Exchange rate impact	Toyota impact	Variance excluding exchange rates and Toyota	2015 Sales
MHA		800	+17 +2%	-16 -2%	+26 +3%	827 +3%
CEP		240	+34 +14%		-34 -14%	240 -0%
S&S		207	+8 +4%		+6 +3%	221 +7%
Total		1,246	+59 +5%	-16 -1%	-3 -0%	1,287 +3%

## ■ SALES TRENDS BY DIVISION

### SALES TRENDS – MATERIAL HANDLING AND ACCESS DIVISION (MHA)

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

The MHA Division reported an increase in 2015 sales of 3% compared to 2014. In 2015, the division represented 64% of total group sales, as in 2014.

#### Sales performance - MHA division in Southern Europe

In Southern Europe (€281.3 million, -1%), after restating for the discontinuation of the Toyota contract for the production of masts (representing sales of €16.1 million in 2014), sales increased by €13.3 million.

That variance can be explained by the decrease in sales of construction equipment in France and high capacity equipment in Italy, as well as by sales growth in all of the other ranges, including aerial work platforms and agricultural equipment.

Sales in Turkey and the Balkans grew by nearly 60% in 2015, profiting from the economic dynamism of the region and large orders from rental companies.

The Iberian Peninsula reported strong growth, +19% in Spain and +35% in Portugal.

#### Sales performance - MHA division in Northern Europe

Sales in the region (€489.4 million or +5%) increased by €25 million during the full-year period. The growth was especially prevalent in the UK where, following a strong increase in 2014, the market continued to grow.

Regarding the Benelux countries, Scandinavia and Central Europe, the resilience of markets and increased market share permitted a 2 figure increase in sales.

Russia appeared to be in sharp decline because of the increased cost of equipment due to the weakness of the ruble compared to the euro. The region is still being impacted by the Ukrainian crisis and a troubled Russian economy, even if the fourth quarter showed encouraging signs regarding the agricultural range.

#### Sales performance - MHA division in North America

The American continent is the region within which the division recorded the strongest sales growth at 14%, with sales of €58.4 million, a €7.4 million increase.

Sales in the American region grew strongly with the telehandlers for the agricultural market and with high capacity and rotating telehandlers attracting a growing interest.

Sales in Central and South America are experiencing a sustained increase. The slowdown of the Brazilian economy was offset by sales in other countries in the region, up sharply compared to the prior year.

#### Sales performance - MHA division in the APAM region

The sales in this region decreased slightly to €88.2 million, down 2.8%.

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

Sales in Africa were down, penalized by both the continued crisis in the mining sector but also by the weakness in oil prices that is impacting many regions dependent on oil (import limitations).

The Middle East remains very active and recorded a lovely increase. Asia experienced a slight decline, impacted by the slowdown in Chinese growth. Finally, the division's sales in Oceania benefitted from the renewal of rental companies' equipment inventories.



## SALES TRENDS – COMPACT EQUIPMENT PRODUCTS DIVISION (CEP)

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

In the full-year 2015 period, sales in euros remained perfectly stable compared to 2014, at €239.8 million.

Given both the importance of sales realized in the American continent (80%) and the exclusively North American production, the division's business is sensitive to changes in the euro-dollar exchange rate.

### **Sales performance - CEP division on the American continent**

Sales of €193.0 million were recorded, representing growth of 4%. That sales growth was boosted by the appreciation of the dollar compared to the euro on sales realized by the CEP division in the Americas.

The North American market, after a first half-year period of strong growth, experienced a significant slowdown in the second half, especially on sales to rental companies.

Weak oil prices led to a slowdown in investment in the oil and shale gas extraction sectors where over 60% of the wells were closed.

### **Sales performance - CEP division in Southern Europe**

The division reported sales of €8.7 million, representing growth of 23% compared to 2014.

The increase in sales was mainly realized in Spain, Turkey and Italy through the sales of track loaders and skid steers.

### **Sales performance - CEP division in Northern Europe**

The division reported sales of €22.1 million in 2015, a decrease of 18% compared to 2014.

The sharp decline in sales was mainly due to the decrease in sales of compact skid steers in Russia, down €3.8 million. The division suffered from the economic situation in Russia and the financial difficulties of one of its historical partners for imports of these products.

### **Sales performance - CEP division in the APAM region**

Sales decreased by 23% to €16 million.

Sales in the APAM region were penalized by the appreciation of the dollar, which slowed the distribution of capital equipment. The division had to focus its efforts on reducing the production costs of its products (technical productivity, level of equipment) in order to offer its customers the most economical equipment and relaunch sales in the second half-year period.

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

The Services & Solutions division ensures the development and management of all of the group's services, spare parts and attachment for all products. It's developing a whole new range of services adapted to the needs of the end-users or dealers to facilitate the purchase, use and maintenance of the machines.

In 2015, its sales grew by 7% to €220.5 million.

The division represents 17% of total group sales.

### **Sales performance - S&S division in Southern Europe**

Southern Europe is the S&S division's primary market and accounted for 36% of its sales, or €79.7 million.

The division has developed its sales in the second hand business and in services (contracts and warranty extensions), in line with the group's ambitions and strategy.

The sales of spare-parts and attachment increased steadily.

### **Sales performance - S & S division in Northern Europe**

Business activity in Northern Europe increased by 8% to €68.3 million or 31% of the total division sales.

Growth was achieved mainly in the UK, Germany and Benelux countries, mainly driven by the spare parts and second hand businesses.

### **Sales performance - S&S division on the American continent**

Business activity increased by 13.6% to €47.1 million representing 21% of total division sales with the growth mainly taking place in the United States.

The growth came primarily from the sales of spare parts for the Gehl and Mustang brands. In 2015, the division launched a marketing campaign focused on the new manufacturer brand XPRT, a brand intended to promote the original replacement parts for the Gehl and Mustang products. The loyalty of distribution networks towards Manitou for the purchase of their spare parts is an important growth axis for the division in the Americas.

### **Sales performance - S&S division in the APAM region**

Business activity in Asia, Africa and the Middle East increased by 2.5% to €25.3 million or 11% of total division sales.

The African continent is experiencing strong growth due to the increased use of maintenance services on its existing machinery, a side-effect of the slowdown in investment in new equipment in the mining business.

The Asian region, as well as the Pacific region, experienced a slight decline in sales related to the devaluation of currencies.

## ■ 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 attachment 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 market trends.

The order book can be split by division as follows:

<i>In millions of euros</i>	<b>31.12.2014</b>	30.06.2015	<b>31.12.2015</b>
MHA	233.6	225.9	253.0
CEP	78.2	55.4	45.6
<b>Group total</b>	<b>311.8</b>	<b>281.2</b>	<b>298.6</b>

The order book of the MHA division increased by 8% or €19 million. It included large orders from rental companies whose business activity levels are high and from French business activities, which benefitted from a favorable legal environment for the renewal of their equipment in the first quarter of 2016 (the Macron law).

The Compact Equipment Products division's order book decreased by 42% or €33 million, impacted by a sharp slowdown in orders from rental companies in the United States during the 3rd quarter of 2015. The 4th quarter did not have a catch-up effect, even if the volume of order intake recovered to the same level as the first half of 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**, growth continued in the US, Turkish and English markets which have been improving for 2 years, while continental Europe had difficulty recovering. Sales increased in this sector, especially on fixed and rotating telehandlers.

2015 sales realized within the construction market represented 44% of total sales compared to 41% in 2014.

**IN THE AGRICULTURAL SECTOR**, equipment sales experienced a year of slight increase. The high equipment utilization rate requires the regular replacement of equipment.

Equipment sales grew despite the gloom that persisted in the agricultural market (raw material prices).

Sales realized by the group in the agricultural segment represented 33% of total consolidated sales in 2015, versus 34% in 2014.

**IN THE INDUSTRIAL SECTOR**, where the Group's presence extends across businesses as diverse as manufacturing, mining, the wood industry, the petroleum and gas industries, waste treatment, recycling, material transformation and logistics, sales were stable after restating for the discontinuation of the Toyota mast sub-contracting business (€16 million).

The industrial sector accounted for 23% of consolidated sales in 2015 compared to 25% in 2014.

## 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 within 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
Claas	Germany	Non-listed

For the MHA division, the main competitors within 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	2014	2015
Sales	1,246.5	1,287.2
<b>Gross margin</b>	<b>184.0</b>	<b>203.1</b>
As a % of sales	14.8%	15.8%
<b>Recurring operating income</b>	<b>48.3</b>	<b>60.5</b>
As a % of sales	3.9%	4.7%
Other non-recurring income and expense	-2.3	-3.4
<b>Operating income</b>	<b>46.0</b>	<b>57.1</b>
As a % of sales	3.7%	4.4%
<b>Operating income including net income from associates</b>	<b>47.6</b>	<b>59.9</b>
Net financial income / expense	-7.5	-10.4
Taxes	-9.5	-16.9
<b>Net income attributable to equity holder of the parent</b>	<b>30.4</b>	<b>32.3</b>

In 2015, group sales increased by 3%, mainly in the European market, while the Americas experienced a slowdown in the second half, which was offset by a favorable exchange rate on sales in dollars.

The margin on cost of sales increased of 1 percentage point by €19.2 million profiting from:

- the full effect of productivity improvements initiated in 2014,
- cost savings on purchases of components and logistics costs during the year which benefitted from the free fall in raw materials and fossil fuels,
- a higher level of agility and efficiency in production tools.

R&D efforts were pursued at all product divisions to renew the existing models by incorporating the group's latest innovations and broaden the scope of services and ranges proposed to customers.

The group capitalized more development expenditures related to the development of new projects, on one hand, and, on the other, recorded tax credits on eligible R&D expenses.

The group continued its efforts to reduce its overhead expenses, while service expenses were reinforced in order to support the development of the S&S division, without undermining its income.

The 1 percentage point increase in the gross margin was fully reflected in the recurring operating income which reached 4.7% in the period compared to 3.9% in 2014.

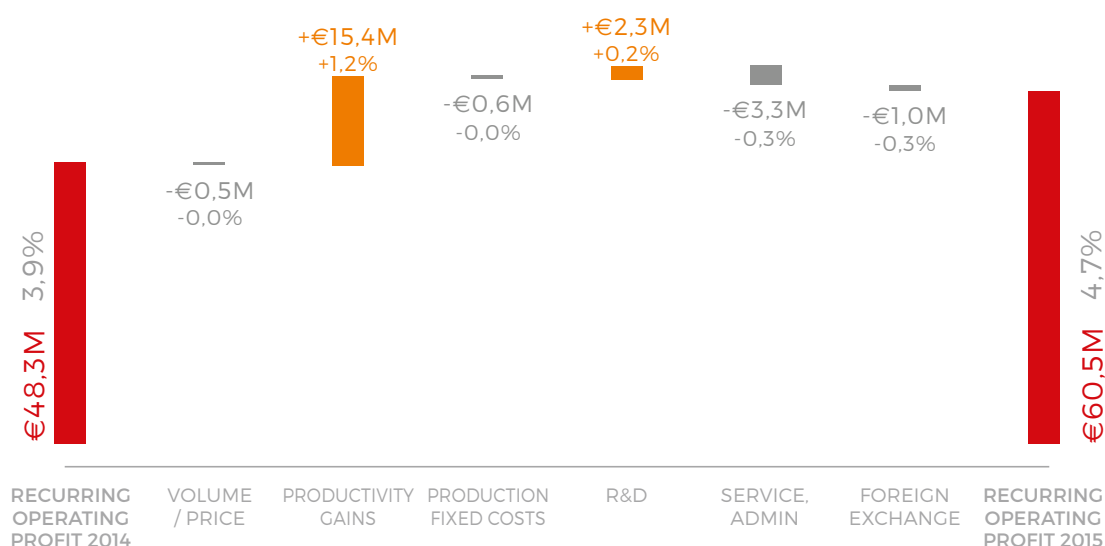
The group recorded non-recurring expenses of €3.4 million, which were mainly related to commercial litigation (see note 3 of the notes to the consolidated financial statements).

The financial result decreased €2.9 million, of which €2.3 was related to the impact of exchange rates.

The tax expense amounted to a normative level. The 2014 tax rate included the capitalization of tax loss carry forwards.

Group net income closed at €32.3 million, compared to €30.4 million in the prior period.

## ■ CHANGE IN GROUP OPERATING INCOME BETWEEN 2014 AND 2015



## 2.2.2 INCOME STATEMENT BY DIVISION

<i>In millions of euros</i>	MHA	CEP	S&S	2014	MHA	CEP	S&S	2015
<b>Sales</b>	<b>799.8</b>	<b>239.9</b>	<b>206.8</b>	<b>1,246.5</b>	<b>826.8</b>	<b>239.8</b>	<b>220.5</b>	<b>1,287.2</b>
Gross margin	97.5	41.9	44.5	184.0	118.1	33.8	51.2	203.1
As a % of sales	12.2%	17.5%	21.5%	14.8%	14.3%	14.1%	23.2%	15.8%
<b>Recurring operating income</b>	<b>20.4</b>	<b>16.8</b>	<b>11.0</b>	<b>48.3</b>	<b>43.9</b>	<b>4.4</b>	<b>12.2</b>	<b>60.5</b>
As a % of sales	2.6%	7.0%	5.3%	3.9%	5.3%	1.8%	5.6%	4.7%
Other non-recurring income & expense	-2.3	0.2	-0.2	-2.3	-3.0	-0.1	-0.3	-3.4
<b>Operating income</b>	<b>18.1</b>	<b>17.0</b>	<b>10.8</b>	<b>46.0</b>	<b>40.9</b>	<b>4.3</b>	<b>12.0</b>	<b>57.1</b>
As a % of sales	2.3%	7.1%	5.2%	3.7%	4.9%	1.8%	5.4%	4.4%
<b>Operating income including net income from associates</b>	<b>17.7</b>	<b>17.0</b>	<b>12.9</b>	<b>47.6</b>	<b>40.8</b>	<b>4.3</b>	<b>14.8</b>	<b>59.9</b>



## ■ MHA DIVISION (MATERIAL HANDLING & ACCESS) – INCOME STATEMENT

Sales at the MHA division increased by 3%, driven by the dynamism of the agricultural market in Europe and investments made by large account customers and rental companies.

The margin on cost of sales increased by 2.1 percentage points compared to the previous year, or €20.6 million, to reach €118.1 million. The division continued efforts to identify technical savings on products, optimize logistics costs, but also to improve manufacturing agility, which resulted in improvements in productivity.

Net R&D expenses decreased by €2.9 million. After focusing its efforts on bringing its equipment into compliance with new product regulatory standards, the division was able to redeploy its resources on the renewal of its product range and the launch of new products and innovations. Those projects were capitalized and are partially eligible for the research tax credit.

Structural overhead costs also remained flat: costs incurred related to commercial development were funded by reducing fixed costs.

The division's recurring operating income doubled to €43.9 million, based on sales growth of 3%.

The division's operating income amounted to €40.9 million compared to €18.1 million in 2014, which included non-recurring expenses of €3.0 million (see note 3 of the notes to the consolidated financial statements).

## ■ CEP DIVISION (COMPACT EQUIPMENT PRODUCTS) – INCOME STATEMENT

The Compact Equipment Products division realized sales equivalent to 2014 sales, or €239.8 million.

Although the sales were stable, the financial performance of the division was strongly impacted by difficult market conditions:

- on one hand, the decline in the investments of US rental companies in the second half following the collapse in oil prices that highlighted the halt in shale gas extraction which is no longer competitive,
- on the other, the euro-dollar trend which is detrimental to US exports. The distribution of CEP outside of the American continent represents 20% of sales while production is exclusively North American.

The gross margin therefore showed a decrease of 3.4% to 14.1% of sales.

Restated for the exchange rate impact, the division also reported little change in overheads.

The division's recurring operating income amounted to income of €4.3 million (1.8%) compared to €17.0 million (7.1%) in 2014.

## ■ S & S (SERVICES & SOLUTIONS) DIVISION – INCOME STATEMENT

The Services & Solutions business reported sales growth of 7% which is €220.5m, drive by both the growth in the sales of services (extended warranties, contracts, maintenance...) and by the positive trend in the sales of parts and attachment, especially in the United States.

Operationally, the division improved its global management of spare parts inventory to optimize service levels to customers without an increase in inventory. Thus, a part which is not available at one of the logistics centers

however on hand at a foreign subsidiary can be easily routed to the customer in order to minimize the equipment's downtime and reduce inventory replenishment time.

The improved logistics combined with the will to provide a wider range of services to the client, contributed to the improvement of gross margin of 1.7 percentage points to 23.2% of sales.

The S&S division continued the deployment of its strategy and organization in order to support the growth of its business.

The division's overhead costs increased by €5.5 million, or 2.5% of its sales.

Operating income rose by 0.2 percentage point to €12.0 million (5.4% of sales).

## 2.2.3 FINANCIAL STRUCTURE

Working capital from operating activities, excluding receivables from sales financing amounted to €409 million, a decrease compared to the prior year period of €14 million (down 3%), due to lower inventories (down €36 million), while receivables increased by €28 million, due to increased sales towards the end of the year.

The group has been carrying a large inventory of engines since 2014 for the assembly of equipment powered by Euro IIB engines. Indeed, the regulation permits the assembly of these engines purchased before October 2014 and consumed over the years.

This so-called flexibility clause gives the manufacturer more time for the development of the next generation of engines.

The level of finished goods and parts inventories remained close to the 2014 level, to better meet the peaks in demand, especially among rental companies. That measure permits a less brutal stress on production lines depending on the business cycle.

Shareholders' equity at December 31, 2015 amounted to €495 million versus €455 million at December 31, 2014. It represented 51% of the total balance sheet amount as compared to 49% in 2014.

The group's net debt decreased sharply to €66 million versus €97 million at the end of 2014. The level of gearing\* decreased to 13% compared to 21% in 2014.

## 2.2.4 INVESTMENTS

The group realized investments of €42.7 million in 2015 compared to €29.2 million in 2014.

Intangible investments increased by €5.5 million to €11.1 million. The group intensified the development projects which fall within the scope of IAS 38 (+€3.5 million) and enriched the existing range. It also invested in the migration towards more efficient IT solutions (+€1.7 million).

Capital expenditures on tangible assets also increased by €8.0 million to €31.6 million. They mainly related to industrial investments (€16.5 million) to refurbish machinery to increase productivity or, provide more flexibility on the assembly lines. These investments also contributed to the development of the services business through the rental fleet (€9.8 million in 2015), mainly for long-term rentals however also for short-term rentals.

The group acquired land and buildings for €5.3 million with the objective of extending its Italian and South African sites for more capacity.

\* Terms defined in section 2.2.9 of this document

## ■ SUMMARY OF INVESTMENTS BY NATURE

*In thousands of euros*

	31.12.2014	31.12.2015
Development costs	3,654	7,147
Other intangible assets	1,992	3,954
<b>Total intangible assets</b>	<b>5,645</b>	<b>11,101</b>
Land	1,190	3,022
Buildings	1,381	2,295
Plant and equipment	4,806	5,536
Rental fleet	6,211	9,754
Other tangible assets excluding rental fleet	4,759	3,709
Property, plant and equipment in process	5,233	7,306
<b>Total tangible assets</b>	<b>23,579</b>	<b>31,622</b>

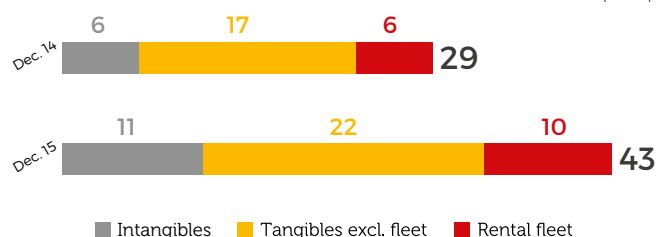
## ■ MAIN INVESTMENTS IN PROCESS

At the publication date of this document, there was no single significant project in process.

## ■ 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 publication date of this document, no single significant investment project.

(in €m)



## 2.2.5 CASH FLOW

The cash flow increased by €15.9 million to €56.4 million versus €40.5 million at December 31, 2014, due to the continued improvement in profitability.

Working capital improved by €58.2 million. It benefited from the decrease in inventories (€112.3 million), mainly due to the use of a large inventory of Stage IIIB engines (see note 2.3 - research and development on the flexibility clause).

In addition, working capital generated by the net changes in operating receivables and payables increased by €54.1 million, in line with the level of business activity.

Thus, cash flow from operating activities amounted to €75.8 million versus €1.6 million in 2014.

Cash flow from investment activities increased to €32.0 million compared to €14.5 million in 2014. The group also distributed dividends of €13.7 million.

At December 31, 2015, cash and cash equivalents amounted to €53.8 million, up by €40.8 million during the period, excluding the impact of exchange rates on the opening cash values.

## 2.2.6 MANITOU BF – THE PARENT COMPANY

### ■ SALES AT MANITOU BF

The Manitou BF sales remained stable at €875 million in 2015 versus €881 million in 2014.

Restated for the discontinuation of the Toyota mast business (€16 million), Manitou BF sales increased by €10 million. Growth was mainly realized on telehandlers for the agricultural market, aerial work platforms and in the service business.

Thus, equipment sales increased by 4% for the MHA division (Material Handling and Access), restated for the discontinuation of the mast business, and 4% for the S&S division (Services & Solutions). Sales at the CEP division (Compact Equipment Products) decreased by 2%, remaining marginal for Manitou BF.

Sales growth was mainly realized in Northern Europe, +4% and Southern Europe, +6% (excluding the impact of the masts).

### ■ MANITOU BF INCOME

Although Manitou BF's sales were stable, operating income increased strongly reaching €34 million versus €1.7 million in 2014, which speaks for the productivity efforts realized on purchases, logistics and operating efficiency. Overhead costs (salaries and other external charges) also remained flat.

Financial income including dividends from subsidiaries and affiliates in which Manitou BF owns shares increased by €10 million. Nonetheless, it remained down compared to 2014 at €23.1 million versus €41.6 million. The 2014 financial result included a revaluation of securities held by subsidiaries (including Manitou Americas) of €29.7 million.

The net result of Manitou BF was closed at €60.8 million (6.9% of sales) compared to €44.8 million in 2014 (5.1% of sales).

Retained income for the period permitted an increase in the value of shareholders' equity to €493 million compared to €451 million in 2014, the company having distributed dividends in 2014.

Shareholders' equity at December 31, 2015 represented 55% of total assets. Net debt amounted to €109 million at December 31, 2015 compared to €164 million in 2014, a decrease of €55 million, impacted by a decrease in inventories and work in progress of €25 million and the increase in cash from operating activities.

### ■ FIGURES STATED IN IFRS

Manitou BF's main income statement indicators under IFRS were sales of €898.9 million, recurring operating income of €58.4 million and net income of €41.3 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 €44.5 million in 2015. It reported net income of €1.9 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 €134.9 million in 2015. Net income after taxes of €3.9 million resulted in net income of €1.9 million reported in the group's financial statement using the equity method.

## 2.2.8 OTHER INFORMATION RELATING TO 2015

### ■ 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 included the amount of 482,479 euros 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 recorded personnel expenses of €2.6 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:

<i>In thousands of euros</i>	<b>Balance at 31.12.2014</b>	<b>Balance at 31.12.2015</b>
Payable within 30 days	42,235	40,456
Payable within 45 days		
Payable within 60 days	44,126	56,852
Payable in over 60 days	28,681	13,192

### ■ INFORMATION ON ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The financial statements of the Manitou group at December 31, 2015 were prepared according to IFRS as adopted by the European Union at the closing date. Those international standards are IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the interpretations (SIC and IFRIC).

The accounting and valuation rules applied by the group in the consolidated financial statements at December 31, 2015 are identical to those used in the financial statements at December 31, 2014, except for the change in accounting method related to the retrospective application of IFRIC 21 and the change in accounting presentation of exchange rate gains and losses (see notes 1.2 and 2 of the notes to the consolidated financial statements).

The comparable figures presented in 2014 have been restated.

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 "Operating 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 attachment, of equipment rentals, of equipment fleet management services and of other miscellaneous services.

#### COST OF SALES

Cost of sales is made up of the cost of goods and services sold which include the cost of materials and components, labor directly attributable to the goods or services, as well as all related operating costs of the production and logistics activities. Also included in cost of sales are the amortization of intangible assets, equipment and materials allocated to production, contractual warranty costs, inventory impairment provisions and gains and losses recorded on foreign currency operating transactions resulting from the difference between the valuation on the transaction day and on the day of payment.

#### 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.
- unusual items corresponding to other income and expense which are not usual in terms of frequency, nature and amount.

## OPERATING INCOME OR OPERATING MARGIN

Operating income, which is also referred to as operating margin in this document, 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 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 large accounts or, most often, Manitou dealers' customers. The terms of financing may be as long as 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 the 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 secured 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 2016

Confirming its sales growth prospects of around 2% in 2016, the group expects an improvement in operating income of approximately 50 basis points.

## 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 six 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 aimed at preparing for regulatory changes.



During 2015, Manitou introduced innovations oriented towards improvements in user comfort, reducing the impact of equipment on the environment or improved performance.

- Eco-boost: a hybridization system for recovering hydraulic energy in the brake accumulators to be used when the power requirement is higher.
- New hydraulic functions: Bucket shaker, Quick-lift and Return to load, systems enabling a faster and automated use of the telescopic arms.
- Comfort steering: a system which reduces the rotation of the steering wheel to facilitate the maneuvering of equipment.

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:

- Since 2014: the phased migration to either Euro IV or Tier IV standards on polluting emissions, with implementation dates depending on the power of the engine.

- As of 2020: the gradual transition to Euro V.

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

- Flexibility clauses allow manufacturers to assemble a quota of machines with engines meeting previous standards.

In Europe, the quotas are determined on the basis of the average engine sizes of the same type marketed over the 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.

- Pre-stored 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 in compliance with the new standard are more expensive than the previous generation.

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

Manitou has therefore been 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,
- Dispose of additional time to spread out the work of integrating the new engines into the equipment and provide ourselves a contingency buffer for developmental delays from upstream engine manufacturers,
- Ensure the highest level of engine reliability 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

<i>In millions of euros and as a % of sales for the period</i>	<b>2014</b>		<b>2015</b>	
	Amount	As a % of sales	Amount	As a % of sales
Capitalized expenses	3.6	0.3%	7.1	0.6%
Uncapitalised expenses and amortization expense	22.7	1.8%	20.6	1.6%
<b>Total</b>	<b>26.4</b>	<b>2.2%</b>	<b>27.7</b>	<b>2.2%</b>

The group maintained its research and development expenditures in order to pursue the defined product plan and fulfill evolving 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 end-users.

Innovation at Manitou is aimed at providing new solutions for the equipment, the attachment 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 2015 amounted to 78. In addition, 12 patent applications were filed in 2015.

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

## 2.4 POST CLOSING EVENTS

In early 2016, the group was judged guilty in commercial litigation related to the distribution of products under the Manitou brand name in the United States. The entire risk was provisioned at the December 31, 2015 closing date. As there is disagreement with this decision, all potential remedies will be put in place to protect the group's interests.

The Manitou group also obtained a settlement in early 2016 following a patent dispute.

See note 3 in the notes to the consolidated financial statements.



# 3.

## RISK FACTORS AND RISK MANAGEMENT

### 3.1

FINANCIAL RISKS

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### 3.2

OPERATIONAL RISKS

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### 3.3

OTHER RISKS

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### 3.4

RISK INSURANCE  
COVERAGE

P. 33

The section «Risk factors and risk management» is an integral part of note 10.10 of the notes to 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 10.10 of the notes to the consolidated financial statements refers to the above paragraph 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's cash management is centralized within the parent company, whenever local legislation and the lack of operational constraints permit such. Cash surpluses are thus transferred from the subsidiaries to the parent company or their funding needs are financed by it.

The group's financing needs are ensured, on one hand, through bank financing (credit agreements or overdraft lines) and, on the other, through the issuance of bonds, out of the concern for diversification.

The means to obtain long-term financing are concentrated within the parent company.

At December 31, 2015, bank credit lines amounted to €176 million in addition to €44 million of authorized ordinary bank overdrafts.

Net debt\* amounted to €66 million at December 31, 2015.

#### June 2013 credit agreement

In 2013, Manitou BF put a new financing contract in place which is valid for a period of 5 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, 2015 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.

\* Those terms are defined in paragraph 2.2.9 of this document.

## ■ SCHEDULE OF MATURITIES ON FINANCIAL LIABILITIES OUTSTANDING AT DECEMBER 31, 2015

Facility	Beneficiaries	Maturity	Amount in local currency	Amount In euros	Use at 31.12.15	Less than 1 year	From 1 to 5 years	Over 5 years
<i>In millions</i>								
<b>Credit agreement (June 2013)</b>								
Term Loan A	Manitou BF	June 18	18	18	18	6	12	
Term Loan B	Manitou BF	June 18	12	12	12	0	12	
Capex Facility <i>multicurrency</i> (\$/€)	Manitou BF or Manitou Americas	June 18	30	30	30	10	20	
Revolving Facility <i>multicurrency</i> (\$/€)	Manitou BF or Manitou Americas	June 18	110	110	0	0	0	
<b>Other financial liabilities</b>								
Bond 1	Manitou BF	Oct. 18	7	7	7	0	7	
Bond 2	Manitou BF	Dec. 19	12	12	12	0	12	
Bond 3	Manitou BF	June 22	25	25	25	0	0	25
Other*	Misc.		44	44	9	3	6	0
Sales financing debt**	Manitou Americas		0	0	0	0	0	
<b>Group total</b>				<b>258</b>	<b>113</b>	<b>19</b>	<b>69</b>	<b>25</b>
Financing leases					4			
Derivative instruments					1			
Shareholders' agreement (repurchase commitment for minority interests) and other					7			
<b>Total financial debt</b>					<b>125</b>			
Cash and financial assets					59			
<b>Total net debt</b>					<b>66</b>			

\* Ordinary lines of credit or bank overdrafts + BPI loans

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

The bank margin applied fluctuates from 165 to 365 basis points for the lines A and B and from 125 to 325 basis points for the Capex facility and the Revolving Facility based on the level of the leverage ratio ranging from 0.5 to 3.5. At December 31, 2015, the leverage ratio\* amounted to 0.7.

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

At December 31, 2015, the maturity schedule of assets and liabilities related to financing totaled €258 million, of which, €113 million were used at that 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 the financing of sales). For further details, please refer to section 10.7 of the notes to the consolidated financial statements of this document.

## ■ SUMMARY OF COVENANTS ASSOCIATED WITH LINES 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 10 «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 the publication date of this document.

\* Those 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 was 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 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 put in place for the general financing of its operations. These commitments are 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.).

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 pretax income. No impact on shareholders' equity was noted.

## ■ TABLE OF HEDGING COVERAGE AND DEBT SENSITIVITY

Hedging on bank debt at variable rates	Percent hedged			Impact of a +/- change +0.5% of the interest rates**
	Fixed Coverage	CAP	Total*	
31.12.2015	41%	41%	82%	
31.12.2016	50%	50%	100%	€0.15 million
31.12.2017	86%	0%	86%	€0.14 million
31.12.2018	0%	0%	0%	€0.05 million

\* Based on variable rate bank debt at December 31, 2015.

\*\* Based on the Euribor 3-month rate of -0.131% applied on December 31, 2015 (impact on income before tax) and without taking into account the impact of hedges.

For further details, please refer to notes 10.8 and 10.9 of the notes to the consolidated financial statements.

## 3.1.3 EXCHANGE RATE RISK

The **exchange rate** risk corresponds to the impact of currency fluctuations on income, the balance sheet and/or cash flow. The exchange rate risk occurs either when making transactions or from the exposure to conversion risks.

Every businessman incurs 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, Manitou BF is the company most sensitive to and impacted by foreign exchange losses.



**Foreign exchange transaction risks** : appear when purchases or sales are made in a currency other than the functional currency of the entity performing the transaction.

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

In 2015, the Manitou Group invoiced approximately 42% of its sales in foreign currencies, mainly in US dollars (22%), pound sterling (12%), South African rands (2%) and Australian dollars (3%), the other currencies being Singapore dollars, Russian rubles, Polish zlotys, Brazilian real and Chinese yuans. In 2015, 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, 2015 for the major currencies used by the group within the framework of its business.

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

### 31.12.2015

*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%	BRL/EUR +5%
<b>EUR</b>								
Receivables (AUD, GBP, USD, ZAR, PLN)	773	781	434	186	0	161	0	22
Debts (GBP, USD, PLN)	0	-175	-46	0	0	-5	0	0
Cash and cash equivalents (AUD, GBP, USD, PLN, RUB)	527	549	229	0	0	95	38	0
Subtotal	1,299	1,154	617	186	0	251	38	22
<b>AUD</b>								
Receivables (EUR)	-27							
Debts (EUR)	1							
Cash and cash equivalents (EUR)	-4							
Subtotal	-30							
<b>GBP</b>								
Receivables (EUR)		0						
Debts (EUR)		0						
Cash and cash equivalents (EUR)		-2						
Subtotal		-2						
<b>USD</b>								
Receivables (EUR)			-344					
Debts (EUR)			78					
Cash and cash equivalents (EUR)			-2					
Subtotal			-268					
<b>ZAR</b>								
Receivables (EUR)				0				
Debts (EUR)				0				
Cash and cash equivalents (EUR)				0				
Subtotal				0				
<b>SGD</b>								
Receivables (EUR)					-109			
Debts (EUR)					176			
Cash and cash equivalents (EUR)					0			
Subtotal					67			
<b>RUB</b>								
Receivables (EUR)							-39	
Debts (EUR)							307	
Cash and cash equivalents (EUR)							-21	
Subtotal							247	
<b>BRL</b>								
Receivables (EUR)								
Debts (EUR)								148
Cash and cash equivalents (EUR)								
Subtotal								148
<b>Total</b>	<b>1,270</b>	<b>1,153</b>	<b>349</b>	<b>186</b>	<b>67</b>	<b>251</b>	<b>285</b>	<b>170</b>

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

## Vs EUR

<i>In thousands of euros</i>	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
AUD	24,694	-4	24,690	-15,159	9,531
GBP	25,268	-3,330	21,938	-31,505	-9,567
USD	12,594	-875	11,719		11,719
ZAR	3,543	0	3,543	-2,664	879
Other currencies	5,996	-93	5,903	-7,230	-1,327
<b>Total</b>	<b>72,095</b>	<b>-4,302</b>	<b>67,793</b>	<b>-56,558</b>	<b>11,235</b>

## Vs USD

<i>In thousands of euros</i>	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
EUR	6,577	-1,487	5,090		5,090
Other currencies	-1	0	0		0
<b>Total</b>	<b>6,576</b>	<b>-1,487</b>	<b>5,090</b>	<b>0</b>	<b>5,090</b>

## Vs GBP

<i>In thousands of euros</i>	Assets	Liabilities	Net position before hedging	Hedging instruments*	Net position after hedging
EUR	40	-3	37		37
Other currencies					
<b>Total</b>	<b>40</b>	<b>-3</b>	<b>37</b>	<b>0</b>	<b>37</b>

\* In addition to the open positions at December 31, 2015, the group hedged a portion of its future operating transactions in foreign currencies. Derivatives instruments contracted for these future transactions are classified as cash flow hedges whenever hedging relationships as defined in IAS 39 exist. 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 10.9 in the notes to the consolidated financial statements at December 31, 2015, section 8.1.5.

## CURRENCY CONVERSION RISK ON THE INCOME STATEMENT

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

The group does not cover that type of risk.

### Sensitivity analysis

31.12.2015

Currency (in millions of euros)	Sales revenues	Operating income	Net income
USD	272	21	13
GBP	136	3	3
ZAR	32	2	2
AUD	31	1	1
SGD	17	1	0
Other	22	0	-2
<b>Total</b>	<b>509</b>	<b>28</b>	<b>17</b>

## CURRENCY CONVERSION RISK ON THE BALANCE SHEET

### Currency exposure

31.12.2015

Currency (in millions of euros)	Net investment	% Hedged	Impact of a 5% fluctuation in the euro on shareholders' equity
USD	183	0%	-9
GBP	19	0%	-1
ZAR	14	0%	-1
AUD	5	0%	0
SGD	7	0%	0
Other	5	0%	0
<b>TOTAL</b>	<b>233</b>	<b>0%</b>	<b>-12</b>

## 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.

<i>In millions of euros</i>	2014	2015
Sales financing receivables	4	4
Accounts receivable and related	239	266
Other receivables	21	21
Cash and cash equivalents	23	57
<b>Total</b>	<b>287</b>	<b>348</b>

## 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 1.7% of total consolidated sales.

The Finance Department also assures that counterparty collection risks are spread over leading financial institutions. For further information, please refer to note 12 in the notes to the consolidated financial statements at December 31, 2015.

### 3.1.5 RISK RELATED TO EMPLOYEE BENEFITS

None

### 3.1.6 RISK RELATED TO EMPLOYEE BENEFITS

The group provides certain employees a package of defined benefits: severance pay at retirement, service awards, pension and retirement plans for certain employees, «Top Hat» retirement plans for certain managers in the U.S., 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. Unfavorable changes in the value of plan assets expose the group to additional payments to meet the minimum coverage requirements of some plans or to respect its commitments.

For further information, please refer to note 1.19 and 18 in the notes to the consolidated financial statements at December 31, 2015, 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 specializes 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, axles, cabins...).

The management of supplier risk is organized 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 divisions, the axes identified to improve the reliability of suppliers' are:

- The strengthening of contractual arrangements with key suppliers;
- The implementation of a supplier rating system from which the qualification and certification levels are provided;
- The strengthening of the performance measurement tools and the follow-up on action plans;
- The recasting of the supplier network as defined for each product family of purchases based on a precise and measurable bill of materials. 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 2015 (%)

1 <sup>st</sup>	8%
Top 5	21%
Top 10	32%

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 (example: less polluting engines). Delays in the deliveries by suppliers of certain components which comply with new regulations could lead Manitou to a rupture of products affected by the new standards in the applicable territories.

### 3.2.2 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 uses commodity hedging instruments for the following reasons:

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

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

The main components included in the manufacturing of equipment are:

- steel or tinplate, 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 cabins.

## 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, Wako and Madison sites in the United States. The center is located in Ancenis in several buildings, some of which are nearly a kilometer apart.

Significant resources have been put in place at the main manufacturing sites and the Spare Parts Logistics Center 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 bill of materials 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 product 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.

### ■ 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.

A major dysfunction could have an impact on the group's operations and profitability.

## 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 with respect to engines.

#### PARTNERSHIP WITH HANGCHA

Since 2012, Manitou has been sub-contracting the production of internal combustion powered low capacity industrial forklift trucks to Hangcha for which the design and development are provided by the Manitou teams, as well as the electrical and internal combustion powered high capacity forklift trucks.

#### OTHER PARTNERSHIPS

In addition, the Manitou group distributes industrial forklift trucks through a dealership in France.

### ■ COUNTRY RISK

The group distributes its products in more than 120 countries, either directly to large customers, or 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 is exposed to risks, 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.

## 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:

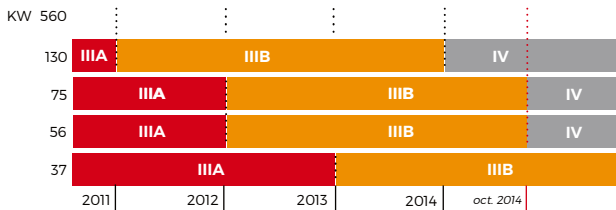
- Carbon monoxide (CO)
- Hydrocarbons (HC)



- Particulate matter
- 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.

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



\*KW: engine power expressed in KW

The Stage 4 (EU) / Final Tier 4 (USA) regulations introduced in 2014 brought the NOx and PM levels to nearly zero. These regulations are accompanied by the development of new fuels (off-road diesel-“GNR”) and new types of engines including the use of particulate 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 regulatory standards.

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 to apply the regulations while maintaining 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 redimension 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 to cover the transition phases,
- 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 in which 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

Several group companies are currently involved in disputes or legal proceedings.

The litigation consists of legal disputes related to products, commercial disputes and litigation towards personnel. Provisions recorded correspond to the group's and its advisors' best estimates 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 17 of the notes to the consolidated financial statements at December 31, 2015, section 8.1.5.

## 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 take place in the financial statements when the probability of their use 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 carryforwards 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 note 4.5 of this document). In addition, it should be noted that Jacqueline Himsworth, Marcel Braud, Gordon Himsworth, Marcel-

Claude Braud, 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.

## ■ RISKS OF THE FAILURE OF THE IT SYSTEMS

The group depends on infrastructures and IT application to manage all of its operating and financial processes (procurement, manufacturing, distribution, financial consolidation). A major failure of its IT system due to a natural disaster (floods, earthquakes...), an accident (fire, electrical outage...) or malicious behavior (virus, data theft...) could impact the group's operating performance and harm its profitability.

In order to protect against these risks, since 2015 the group has outsourced its most critical IT equipment to protected sites equipped with the latest technologies to limit access and ensure the continuity of the operating systems in the case of a minor dysfunction (power failure) and in order to recover information in the case of a major dysfunction (fire...). In addition, regular data backups are performed on all the group's sites in order to ensure that information can be recovered.

Finally, the protection systems are updated permanently (firewall, antivirus...) and access authorities are modified and monitored at regular intervals.

## ■ GEOPOLITICAL RISKS

The group's businesses may, in some countries, be affected by geopolitical risks such as war, terrorism, conflicts which could have an impact on the profitability of the group but also on the safety of persons working for the group.

Constant monitoring is performed on the countries identified as at risk by the

various foreign ministries of the countries in which the group operates. Travel to those countries is limited to the maximum.

## ■ RISK OF FRAUD

Different procedures have been introduced by the group's executive management in order to guard against the risk of fraud. In particular, a manual assigning of limits of authority and access for the group's employees, an evaluation questionnaire on key controls put in place at each of the group's companies, as well as the internal audits (these are detailed in section 7 of this document).

## 3.4 RISK INSURANCE COVERAGE

The group subscribes to insurance policies for public 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 optimize 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 public 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 identified risks.

The group takes out other insurance policies, in particular to cover credit risk, the vehicle fleet and employees as well as environmental damage.



# 4.

## **CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN**

### **4.1**

OUR VISION  
TO GROW  
TOGETHER

**P. 35**

### **4.2**

REDUCING OUR  
ENVIRONMENTAL  
FOOTPRINT

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### **4.3**

OUR TOP PRIORITY:  
HEALTH AND SAFETY

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REINFORCING  
THE SUPPLY CHAIN  
AND OUR  
PARTNERSHIPS

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### **4.5**

COMMITTED  
EMPLOYER

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### **4.6**

METHODOLOGY  
NOTE:  
EXTRA-FINANCIAL  
INDICATORS

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## 4.1 OUR VISION TO GROW TOGETHER



Elevation, the name of our CSR approach, conveys several meanings: elevation is above all our core business. Elevation means rising to the societal challenges associated with our activities to gain awareness of the responsibilities of our customers and better adapt to them. Handling of goods and

elevation of people are affected by a combination of issues: demographic growth, urban development, industrial development of emerging countries, increased pressure on resources, working conditions, etc.

In all areas, these changes are accompanied by a need for transport infrastructure, housing and access to resources. Construction, agriculture and industry are at the heart of this transformation, and our handling machinery provides solutions for these requirements, enabling people to carry heavier and heavier loads, enhancing productivity and improving working conditions.

### ■ CSR CENTRAL TO THE GROUP'S MISSION

The Group's business, handling is also our *raison d'être* and a real commitment to all of our stakeholders. By making the universe of each of our customers, and by extension the whole world, the field for our activities, we clearly reassert our desire to provide solutions and service while satisfying each handling requirement as fully as possible regardless of the country, the backdrop or the application: a South African coal mine, a construction site in Texas, a German logistics hub or a farm in China.

"Handling Your World" means inventing and creating new markets. It means anticipating the handling of tomorrow in an innovative and sustainable way. It means transforming applications. Between the basic need to handle increasingly heavy loads, and the more sophisticated needs of custom development of attachments, our mission remains the same: to create for our customers an appropriate handling solution, while guaranteeing them optimum safety and improved working conditions.

#### Changes in applications, technological innovation, industrialisation, safer working conditions... is the transformation of handling a societal issue?

In all sectors, handling is developing naturally. However, things are not changing at the same rate from one area to the next. These contrasts are explained by the different needs of different markets: more mechanisation, more automation, or a greater need for security. We provide new, more productive, safer solutions as soon as the market's maturity allows.

Focus on the construction market: our solutions are used when the production lines have matured. One key stage, for instance, is the palletisation of bricks. But this also involves the acceptance of new working methods (e.g. management of equipment on a construction site, a reduction in manual handling, improved working conditions). The cultural aspect of one area compared to another is therefore a key factor in development of the construction market, and also applies to farming and industry.

#### STRAW BALING



80% of agricultural telehandlers are sold in Europe... Agriculture accounts for 40% of Gehl/Mustang skid steer sales in North America.

#### HANDLING OF BRICKS IN RESIDENTIAL CONSTRUCTION



Asia represents 40% of the residential construction market worldwide... but only 5% of telehandler and compact machinery sales and only 15% of platform sales.

#### MATERIALS HANDLING



60% of industrial trucks sold in Europe are intended for warehousing... 70% of industrial trucks sold in Asia are thermal trucks.

CSR is a differentiating factor that enables us to better anticipate and reinforce the connection with our partners and employees. It is our intention

to provide our customers with handling that lasts, to build partnerships with our suppliers and to involve all of our employees in this virtuous dynamic.

# HANDLING YOUR WORLD

## OUR MISSION:

"Create, support and drive the handling market."

### OUR COMMITMENT

Group is committed and responsible in the long term to providing the best innovative solutions, creating value for all stakeholders at every stage in the product's life cycle.

### OUR CONTEXT

80% of the Group's environmental impact is associated with the use of our products

Every day, **500,000** people use our machines. **50%** of employees are operators on 9 production sites

Purchasing accounts for **75%** of the value of our products. **1,400** dealers worldwide.

**3,300** employees on 6 continents

### OUR CHALLENGES

**Environmental footprint** throughout the "life cycle"

**Health & Safety** of users and our employees

A strong **supply chain & solid partnerships**

**Committed employer**

### OUR PLAN



- 1 PROVIDER OF SUSTAINABLE SOLUTIONS
- 2 POWERED BY MANITOU GROUP PEOPLE
- 3 IN CLOSE PARTNERSHIP WITH OUR SUPPLY CHAIN

## CSR CENTRAL TO GOVERNANCE

Management has defined 6 major CSR priorities for the period 2015-2018. These priorities are perfectly in line with the Group's roadmap, with a desire to roll out a pragmatic and collaborative CSR policy with tangible results: the impact of products and services, education of our customers, a desire to win, employee pride, supplier relations, and our local presence.



**Michel DENIS.** President and CEO

### WHY DID WE JOIN THE UNITED NATIONS GLOBAL COMPACT IN 2015?

"We are aware of our responsibility with regard to the challenges associated with our markets. We want to enhance the impact of our messages to help the whole sector evolve. Moreover, given the Group's global footprint and the diversity of our stakeholders, we intend to continue a deliberate approach of ongoing progress and dialogue on the subject of CSR.

We are convinced that sustainable growth and responsibility go hand in hand and that the 10 principles of the Global Compact represent an incredible foundation for the Manitou Group to move in this direction. This membership reinforces our commitment to integrating these principles into our strategy, our culture, our operations and interactions with our stakeholders".

As a member of the Global Compact, the Group is committed to communicating each year on the actions taken and the results obtained with regard to the implementation of the 10 principles of the Pact.

# CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN

As the CSR Department comes under the General Secretariat, expertise of the Executive Committee, it is easier to take into account societal challenges from the governing bodies to the teams with a high level of cross-functionality.

The Elevation plan is shared with the whole Executive Committee twice a year. In 2015, the CSR roadmap was also shared with and approved by the members of the Board of Directors.

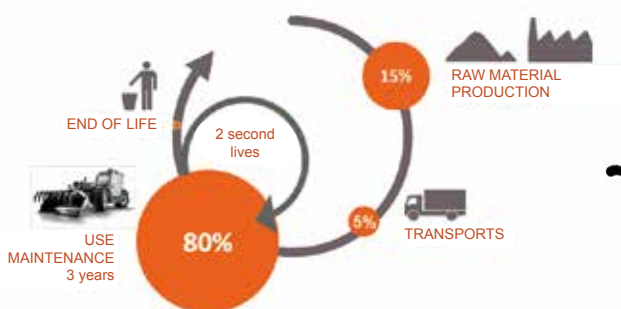


## BUILD ON THE FOUNDATIONS OF OUR MAJOR CHALLENGES

In order to properly understand our Elevation plan, it is important to decipher the challenges specific to our Group.

### Challenge No. 1: Environmental footprint throughout the life cycle

We are aware that globally efforts need to be made to curb global warming and to preserve natural resources and ecosystems. But what does that mean for us?



### Reduction of machine fuel consumption

Reducing the fuel consumption of machines represents the main environmental and economic impact of our customers. Work has begun to raise awareness and to change how they see the face value of a machine and make them look more at its total cost of ownership, including the cost of fuel. This approach aligns and optimises the economic aspects and the environmental impacts of the customer.

Bolstered by this desire, Manitou is the first manufacturer of handling equipment to have the consumption data of its machines measured, certified by an independent body and published in a sector that is not governed by rules regarding fuel consumption.

We are convinced that it is the right strategy in the medium term to provide our customers with this data that is essential for them to make purchasing decisions. Indeed, improving the fuel economy of machines not only has a major environmental impact but also represents fuel savings worth around 40% of the machine's total cost of ownership for our customers.

80% of the environmental impacts (impact on air, water and soil) of the Manitou Group's machinery is generated during use by customers and mainly as a result of combustion of fuel. (90% from greenhouse gases). It is therefore our main environmental challenge. The impact of the other phases in the life cycle of machines is distributed 15% for the raw materials and components manufacturing phase, 5% for transport and less than 1% for the production cycle.

The life span of a Manitou product is long, on average 10 to 12 years for first and second hands. Then, through the used machinery and repairs market, a machine has a series of users in wider areas.

Our challenge is therefore to explain our methodological measurement choices and our tests to our customers, and to our sales force.

### Reduction of the environmental impact of production sites

Lastly, although it only represents 1% across the machine's life cycle, reducing the environmental impacts of our production sites forms an integral part of the approach. Indeed, at site level, we want to get the teams involved to reduce our most significant impacts (see inset).



#### What are the major impacts on a Manitou production site?

- Energy and GHG (greenhouse gas) emissions
- VOC (volatile organic compound) emissions associated with our painting activities
- Waste



### Regulatory standards on the pollutant emissions of the engines of mobile, off-road equipments:

The pollutant emissions of handling equipment have fallen drastically in the last ten years (95% for particles and 96% for nitrogen oxide) <sup>(1)</sup>. In 2015, the machines on the market have particle or nitrogen oxide emissions close to 0. This represents efforts that mobilise many in-house teams as well as our engine specialist partners.

(1) Source : CISM



## Challenge No. 2: User and employee health and safety.

On our markets: More than 500,000 people use our machines on a daily basis for periods ranging from 500 to 3,000 hours a year. Handling equipment provides a way to improve working conditions, especially in terms of health and safety, when it is used properly. Management of health and safety involves compliance with regulatory standards (e.g. Standard EN 15000) but covers other issues such as ergonomics, vibration and perception of noise. We must therefore ensure that our handling solutions meet their productivity



### What is Standard EN 15000?

This European standard is designed to prevent a variable reach truck tipping forwards as a result of the load being transported.



### The main risks associated with the work

Manual and mechanical handling: movement and posture, carrying of loads, handling machinery.

**The workstation:** mechanical tools, hand tools, welding equipment, grinding, etc.

**The workstation environment:** circulation of trucks and vehicles, movement of overhead cranes, hazards to eyesight, noise and vibration.

**Chemicals:** thinner, paint, fuel, oil, etc.

## Challenge No. 3: A strong chain and solid partners

### Strengthen the supply side

Representing 75% of the production cost of the machines, purchasing, and therefore suppliers, are at the heart of our preoccupations.

We are aware that the Group's durability is dependent on the solidity of our supplier fabric. Working in the long term with them, adopting innovative and participatory approaches and constructing win-win partnerships and fair relations help to strengthen the chain.

### Favour close contact

Manitou must also continuously adapt to the volatility of its markets; our suppliers have to too. Their proximity to the production sites and their local presence constitutes one of the responses to our need for responsiveness and flexibility.

In European industrial purchasing (MHA and S&S Divisions, France and Italy), which represents 72% of the Group's total purchasing volume, we work with



### The Group's suppliers:

More than 1,900 suppliers supply us with components:\*\*

- 37% of the volume is in France, of which half is in the Pays de La Loire region
- 37% in the European Union (outside France)
- 20% in the USA
- 6% in the rest of the world

\*\* (% in volume of turnover)

and performance needs while guaranteeing the highest safety standards and maximum comfort.

To transform how people work, we design custom machines and attachments adapted to major sector-specific constraints, in areas such as mining, petroleum and gas, defence and railway operations. These new solutions have been developed to make handling safe and maintain work rates with optimum operator comfort in order to guarantee them full control of their working environment.

On our sites, everybody is responsible for prevention. Every day, more than 1,500 operators work in our plants, manufacturing structural assemblies (mechanical welding: frames, booms and masts), assembling or in the paint booths. Manual handling is the main cause of accidents on our sites, particularly in the welding sector. The hands are the main site of injuries. We therefore make prevention and training one of our priority actions.

### Focus on our professions: WELDING

**250** welders more than **25,000** m<sup>2</sup> of buildings

**250** tonnes of wire each year to assemble 40,000 t of steel **A "Welding Expertise" Committee**

just over 1,000 suppliers, 60% of whom are based in France and of which 1/3 are in the Pays de La Loire region.

In order to get even closer to its customers and partners, Manitou has a direct presence in 19 countries on 6 continents.

### Ensure the financial health of our partners

Monitoring of the financial health of our customers and suppliers (risk of dependency, bankruptcy) is a major component of reducing risk for the Group.

### Involve our partners in our CSR approach

Lastly, by involving all of the partners in our value chain, our Elevation plan really comes into its own as it becomes shared. We are therefore committed to sharing our ambitions with our suppliers and our customers present in 140 countries.



**Manitou, Gehl, Mustang**

3 brands distributed by 1,400 dealers in 140 countries

## Challenge No. 4: Committed employer

The men and women of Manitou are central to our corporate social responsibility, and there are plenty of challenges: attract and develop the skills we will need to design, manufacture and sell the machines and services of tomorrow and encourage loyalty, reflect within our teams the diversity of our customers and our markets, continue to motivate and unite all of our employees wherever they are in the world. With varying local contexts, the adaptability of the Group's policies to cultural aspects is an important subject, including in terms of CSR.

Our commitment and that of our employees is an essential tool for performing well. It is constructed for the long term: through the visibility given to employees, the understanding of the mission to give meaning, the recognition of individual and collective performances, the consistency between actions and corporate culture, constructive social dialogue, and close relations with management.

We are also committed to improving working conditions for everyone in order to ensure the implementation and the success of our roadmap.

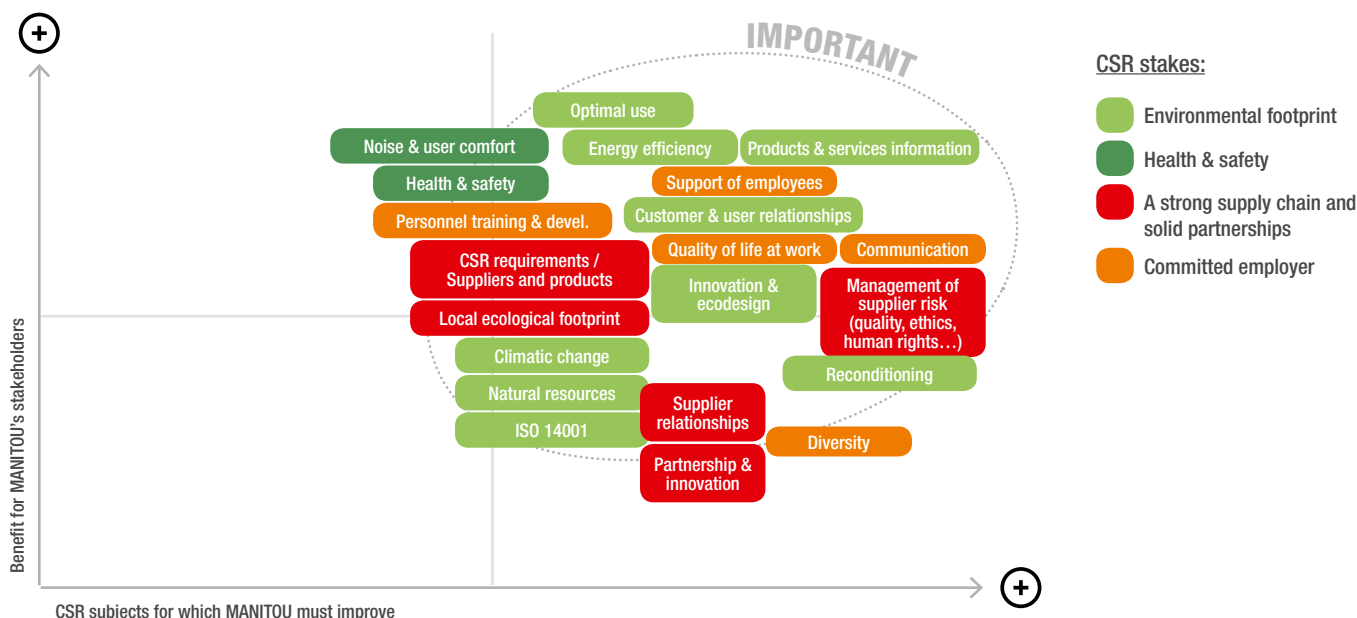
All of this must enable us to keep our customers happy thanks to teams that are proud and entrepreneurial and feel a sense of responsibility.

## ■ CONSTRUCT WITH OUR STAKEHOLDERS

We are convinced that collaborative work with our stakeholders will improve our performance in terms of sustainable development and will help us to strengthen our corporate model to stay ahead of the game.

Since it was constructed, the Group's CSR strategy has relied on the perceptions and expectations of our stakeholders to give a 360° vision. A varied panel of stakeholders was questioned: employees, suppliers, dealers, customers, trade unions, and local authorities. The analysis of internal and external expectations, supplemented by a benchmark, have enabled the Group's CSR challenges to be identified and prioritised.

Matrix of the CSR challenges identified as priorities



In 2015, we decided to meet again with our stakeholders. We went out to meet with French farmers at 3 events to share their machine operation practices. Les Terrenales, an event focusing on agriculture in tomorrow's world, presented more than 110 practical and innovative solutions based on Ecologically Intensive Agriculture (EIA) to enable more and better to be produced with less. Even closer to farmers, we attended an open day on a farm as part of the Innov'Action initiative, a chamber of agriculture label

dedicated to innovation, as well as the CUMA General Assembly (*Network of Cooperatives for Farm Equipment Use*).

On the agenda at these three events: the services of a Manitou trainer and an eco-driving simulator: an opportunity for farmers to analyse how they drive and learn better behaviour and for Manitou to talk about their practices, their fuel consumption and their ideas for reducing our ecological footprint.



Dialogue with our stakeholders was enhanced during a CSR morning organised to discuss and challenge our approach, in partnership with the Comité 21.

This morning on the subject of CSR & local presence was a chance to present the deployment of CSR in purchasing through testimonies from local suppliers and to learn about the expectations of the various stakeholders.



#### The Manitou Group on the Comité 21 (French Committee for Sustainable Development)

We decided to join the Pays de la Loire branch of the first French sustainable development network to get actively involved in what is going

on in our area. This membership is a way to share our experiences and facilitate exchange between the different people involved locally, in order to improve our local economic footprint.

Around 30 local organisations (suppliers, companies, authorities, chamber of commerce, ADEME, Direccte, associations for industrial development, schools, etc.), came together to discuss, share best practices and ask questions about the circular economy, the purchasing charter, employee education and total cost of ownership, amongst other subjects.

The extensive exchanges enabled us to build new relationships to continue our CSR actions in partnership with the local area and the various stakeholders.

**The Manitou Group involved in the COP21 debates** (UN Climate Change Conference): within the context of our voluntary communication approach on the consumption and CO<sub>2</sub> emissions of our machines, we presented our commitments in Bourget and took part in a round table discussion at the Grand Palais. This event was an opportunity to reinforce the impact of our messages to develop the sector and prove that an intermediate-sized enterprise can change its economic model to develop sustainable solutions.



Michel Denis, Managing Director – UNFCCC TV Studio, COP21



#### Michel DENIS. President and CEO

“We want to demonstrate that by developing solutions in a different, more responsible way, we can not only preserve resources, but also provide the customer with more value. We want to prove through practical actions that social and environmental responsibility is part of a corporate strategy based on lasting partnerships with all stakeholders”.

## ■ RECOGNITION OF OUR CSR PERFORMANCE

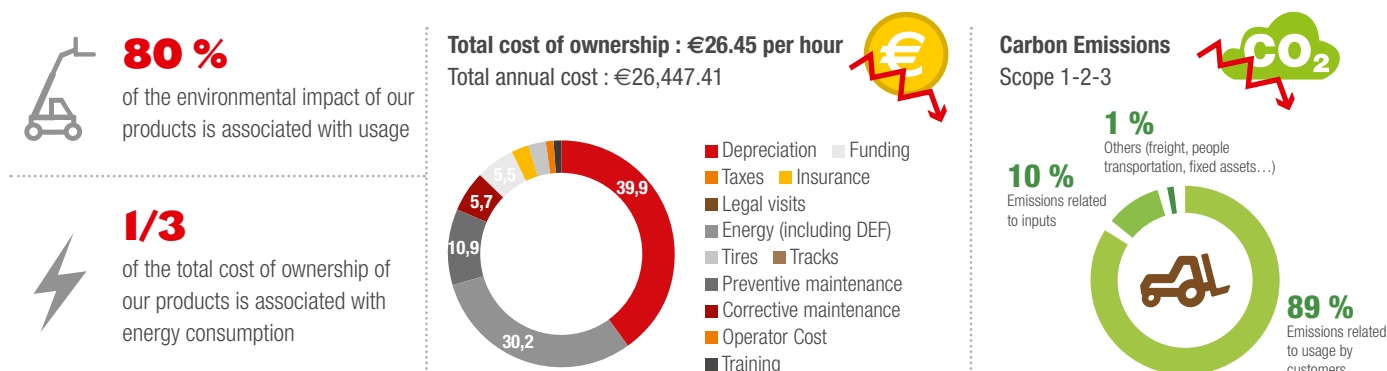
**Gaia-Index:** for the fourth time, we were ranked in the Top 5 (*3rd place*), in the Industry category, of the best companies in terms of CSR (and fifth in the overall ranking of companies with a turnover greater than €500 million). This classification concerns 230 intermediate-sized enterprises and SMEs listed on the Paris stock market. Created by Ethifinance, the Gaia-Index is the benchmark for CSR for listed intermediate-sized enterprises. It consists of the 70 best scores on the subject of CSR.

**“Business and Environment” Grand Jury Prize in 2014:** We were awarded (for our REDUCE programme) the Business & Environment Grand Prize by ADEME and the Ministry of Ecology, Sustainable Development and Energy, in the “Management and initiatives for sustainable development” category. This prize, presented by the Minister, rewards companies with remarkable achievements in the fields of the environment, biodiversity and sustainable development, thus contributing to the ecological transition.



## 4.2 REDUCING OUR ENVIRONMENTAL FOOTPRINT

### OUR PRODUCTS: THE “REDUCE” APPROACH



The REDUCE approach aims to improve the quality of life at work for the users of our machines for increased productivity. This involves transparency of consumption data, the reduction of emissions, education about the Total Cost of Ownership (TCO), and more consideration of user health and safety. To achieve this objective, we have set up 2 programmes under the Group's strategy. The strategic areas of the innovation plan are therefore based on 3 customer benefits: energy, work comfort & efficiency, and safety.

### REDUCE FUEL ECO-PROGRAM

Do you really know how much fuel your machine uses? REDUCE Fuel aims to measure and transparently communicate the fuel consumptions and CO<sub>2</sub> emissions of our machines in order to help our customers reduce their environmental footprint and reduce the environmental impact of our products.

### REDUCE TCO PROGRAM

Do you really know the Total Cost of Ownership of your equipment? REDUCE TCO aims to provide our customers with transparent information about the distribution of the cost centres of machines and to optimise the profitability of the production base.

#### ■ THE REDUCE FUEL PROGRAMME

This programme focuses on 5 key stages:

**1) Measure:** Production of an internal protocol for measuring the fuel consumption and associated CO<sub>2</sub> emissions for all of the activities representative of the machine.

**The approach:** Our methodological choices represent an important challenge for the Group with regard to sales staff and customer perception. We wanted to have the least contentious and most serious approach that



was most representative of real-life conditions. The Group chose, for farming and construction machinery, to measure fuel consumption for **the four work activities of a truck** by incorporating idling, which can account for up to 30% of use, and driving, which consumes fuel. This approach is the first point of differentiation with practices in the sector.

In addition, we measure consumption in the “loading” cycle and the “road” cycle **in intensive mode** (i.e. thoroughly) for repeatability of the tests (essential for comparing measurements) and to get as close as possible to the real-life conditions of certain customers who, according to our observations, drive with their ‘foot to the floor’. This approach is the second point of differentiation with the practices in the sector.

Lastly, the third point of differentiation is the **scope of our tests** and our data (agriculture range, construction range and in 2016 the platforms range) when the competition communicate about one or two products. The consequence of these three biases (completeness for the 4 activities, testing in intensive mode, all products) leads to us communicating about data that may be more important than the competition or more important than a customer could imagine.

The training of sales staff in the few requirements of the sector in terms of strictness and in our approach is therefore essential. Education of customers about their fuel consumption over 4 activities and therefore about their actual average consumption also requires attention.

**2) Improve reliability:** The absence of standards for measuring fuel consumption in the profession implies disparity in how we communicate about consumption, which can eventually lead to users losing their bearings. The fairness of the data is essential, so the Group was the first to ask a recognised and independent external body to approve its measurement procedure.



**The approach:** With a wealth of experience in testing and measurement, the Group brought in UTAC to audit and approve the relevance of our testing procedure and the strictness of test performance. Approval of our internal testing procedure is a guarantee of legitimacy. UTAC considered this procedure to be representative of the use of the machinery in question and emphasised the seriousness of our measurements and the experience of the testing technicians. In 2015, we decided to extend this approach to platforms.

Although there is no obligation in the field of handling equipment regarding fuel consumption, we want to ensure that the public authorities gradually come to understand that standardising consumption is an important aspect and that they impose publication of consumption so that all manufacturers can move forward.

**3) Inform:** by lifting the veil on the energy consumption and CO<sub>2</sub> emissions data of its machines; the Group shares with its customers economic data that is essential for helping them make purchasing decisions.

**The approach:** We display the consumption and CO<sub>2</sub> emissions in the cab of each machine that leaves the factory. For our dealers and for all of our exhibitions, we have also produced stickers that give this information and enable it to be displayed on the machines.



The REDUCE application available online: [reduce.manitou.com](http://reduce.manitou.com) and on iPad enables users to measure their consumption based on their own usage (e.g. x% driving, % handling, etc.), and also to work out the cost of their annual energy consumption. Indeed, usage may vary greatly from one farming activity to the next. In order to ensure transparency, we have put our measurement protocol and a video of our tests online. This application is also a sales tool, enabling sales staff to compare Manitou products with equivalent competitor products of which we have measured the consumption with the REDUCE protocol.



#### Visits to [Reduce.manitou.com](http://Reduce.manitou.com) since October 2013:

- 8,223 visits
- 5,285 unique visitors
- 10,921 pages viewed

**4) Support** users and our dealers: the Group is committed to providing services and solutions in order to improve this double environmental and economic footprint.

**The approach:** Remember that 80% of the environmental impacts of our products are generated during use. Driving behaviour can affect the consumption of a telehandler by up to 20%. One excellent way to reduce this environmental footprint is customer training. We therefore provide our dealers and customers with:

- 25 common sense ideas for reducing consumption



*Switch off your engine after three minutes sat idling.*



*Ensure you have the right tyre pressure.*

- The "Manitou Eco-driver" is an eco-driving simulator. It involves a journey of 8 to 10 minutes and covers all of the activities in the test protocol put in place under the programme. This role-playing enables drivers to learn how to behave to reduce their fuel consumption, their usage costs and the risk of accidents by adopting safer driving and use. The aim of this tool, which we present in our showrooms, is primarily to trigger awareness in the customer, then to analyse a summary of his



driving after the simulation. A personalised report is then sent by email.





- Eco-driving course: we introduced for the first time in 2015 an experimental eco-driving course for farm owners in our Training Centre. This course was also a first in end-user training. This experiment was very successful, enabling awareness of best practices to be raised, with encouraging results in terms of consumption reductions (12% on average). A further session is scheduled in Belgium in early 2016 to conclude this training, in preparation for its inclusion in our catalogue.



## 5) Improve the impact of the machines: systematic consideration of energy efficiency from the design stage and the provision of technological solutions.

**The approach:** The R&D departments have powerful digital simulation tools that help to reduce the number of physical tests and to choose the best technology/consumption pairing. Indeed, digital testing enables many more iterations. The use of digital simulation has, for example, led to a less energy-hungry cooling system being designed.

Energy expertise is deployed throughout the development cycle of our machines: from the marketing specifications, the preliminary design of the components and the architecture and the choice of components right through to the fine-tuning and optimisation. By working closely with our engine suppliers we are able to adapt the engine to our needs. Energy efficiency, which has become a real in-house expertise, is taken into consideration from the design phase and is at the heart of our different technological choices:

<i>Applications</i>		<b>Customer benefits *</b>
<b>Downsizing</b>		<b>Reduction in power:</b> E.g. ML mastfed forklift truck ranges (9% less consumption)  <b>Reduction in power to equivalent working speed and rotation speed:</b> E.g. ATJ access platforms: 33 to 26 KW
<b>Bi-energy system</b>		Use an electric motor for static operations and save use of the engine for movements.  E.g. MRT 2150 BI-Energy
<b>Structural weight reduction</b>		<b>Reduction of the machine's weight and optimisation of the hydraulic system:</b>  E.g. the 280 TJ access platform with 16,600 kg and only 34 KW gives an equivalent performance (e.g. translation speed and lifting time) to competitor models with more powerful engines
<b>Choice of components (e.g. engine)</b>		<b>A high-performance engine to optimise use:</b>  E.g. on the MLT 840 telehandler: 14% less consumption (and as much as 20% on loading) between the MLT 840 and the equivalent competitor model
<b>Proportional management of engine speeds</b>		<b>Adaptive management of engine speeds:</b> E.g. ATJ and TJ access platforms
<b>Stop &amp; Go</b>		The Group was the first manufacturer to offer a hydraulic "Stop & Go" system. This helps to improve the TCO: <ul style="list-style-type: none"> <li>– Increases the machine's usable life</li> <li>– Less frequent maintenance operations</li> <li>– 5% reduction in fuel consumption</li> <li>– Noise reduction</li> </ul>
<b>Eco-mode</b>		Electronically controlled operating mode that reduces consumption during road travel. The electronic control of the hydrostatic transmission optimises engine speed while protecting the moving speed.  E.g. MLT 625 telehandler: 18% less consumption at 25 km/h.
<b>Electronic control of the cooling system</b>		<b>Automatic management of fan speed depending on the engine temperature:</b> <ul style="list-style-type: none"> <li>– 4% less consumption on average.</li> </ul>

\* The savings declared are calculated based on the characteristics given on the product data sheets, our tests and our internal analyses.

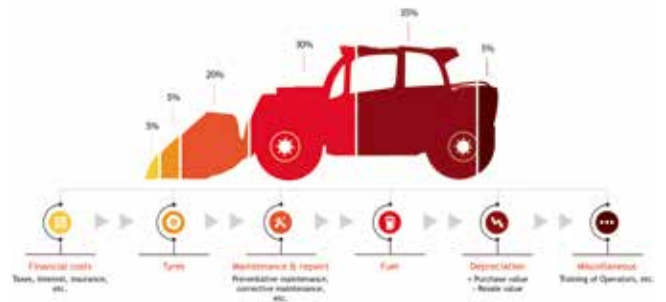


## Focus on REDUCE Innovation: the Manitou Group presented the first eco-concept of hydraulic hybridisation, the Eco-Booster

**Background:** hybridisation is one of the areas for development explored by Manitou Research and Development over the last few years. The Stop & Go launched in 2013 is an example of the fruit of this research. Field studies revealed the importance of the machine when stopped, hence the need for a system that can turn off the engine in down time to save energy. This is especially the case on construction sites, where machines operate uninterrupted around 30% of the time. There are 3 types of hybridisation: light, medium and full. Stop & Go represents light hybridisation. We decided to go even further by exploring hybrid technologies that are more complex to implement, to give the customer greater benefits.

**Operation:** using a telehandler reveals many situations in which energy is not used effectively or wasted. Manitou decided to look at recovering this energy, giving birth to the new concept of hydraulic hybridisation for managing it better, the Eco-Booster. The Eco-Booster uses the variable transmission to brake the vehicle if necessary, while recovering the energy released by the slowing down. The phases in which the engine is under-used are used to store the energy in cells. This is then returned when engine power increases (Boost). And finally, the device stops and starts the machine automatically. The smart engine and transmission control automatically adjusts the transmission ratio and the engine speed.

**Results:** The REDUCE protocol has enabled a 15% fuel saving to be measured for the truck's 4 work activities (compared to a machine without it), and a saving of up to 25% depending on the activity. This represents a saving of 2,500 L/year and 5 tonnes of CO<sub>2</sub> equivalent avoided each year, i.e. a 10% reduction on average for 6 environmental indicators (air, water and soil).



Reduce TCO is a programme for measuring all of the costs included in the total cost of ownership. This initiative reveals the most important cost centres for customers upstream of their purchasing process and teaches them how to reduce these costs. The background work we do to reduce these usage costs, including in particular the maintenance costs, is an additional way to reduce the environmental impact of the machine at the different stages of its life cycle.

**Why?** Customer requirements are gradually changing from product acquisition contracts to the purchase of integrated solutions with increasingly connected machines that save them time and allow them to focus on their jobs. This shift to a service model enables the life cycle of the machine and its accessibility conditions to be seen in a new light.

Offering our customers the option to manage their costs while benefiting from a global package offering the machine at hourly cost including all of its maintenance, means aiming to achieve the best TCO for our customers, and for us. This work involves all of the teams as it calls for each stage in the machine's life cycle to be redesigned.

**Approach:** To give an overview, we developed a TCO calculator, which is available on the website [tco.manitou.com](http://tco.manitou.com). With this tool, we are the first manufacturer to publish the detailed TCO and make it available to the customer.

To reduce the TCO, we lean on all parts of the machine. In addition to the work done on fuel consumption with the REDUCE FUEL programme, TCO reduction targets are incorporated from the design stage for new products. Existing products are also called into question to reduce their usage costs. In practice, this means reviewing, for example, the machine's maintenance with direct environmental repercussions: service intervals, volume of oil, quantity of filters, but also the reliability of the components for a longer service life.

In order to respond to the increase in the used vehicles market and the demand from certain customers interested in reuse, we have set up a machine reconditioning laboratory, primarily for masted forklift trucks at present. Furthermore, we are continuing to promote the used vehicles market through our Manitou Used website. This website offers machines selected, assessed and reconditioning by our dealers in accordance with Manitou standards. All used machines are categorised into 4 reference levels depending on their repair level.

In conclusion, the REDUCE approach intends to achieve sustainable management of the machine's life cycle (acquisition, use, repair, reuse, end of life) to encourage optimum management of resources for the future, taking into account the economic constraints of our customers.

## THE REDUCE TCO PROGRAMME

What is TCO? The TCO is the total cost of ownership of an asset, more commonly known as the usage cost. This indicator considers fixed costs, such as acquisition, interest, rent, residual value, etc., and also variable costs linked to the use of the machine, such as maintenance, fuel, user training, etc.

\* With an average base of 20%, and 1,000 hours of use

\*\* The environmental benefits have been calculated based on the performance of an environmental life cycle assessment taking into account the machine's raw materials, production, transport, use and maintenance and end-of-life management. The environmental impacts were calculated using the e-DEA Life Cycle Assessment software solution for 6 air, water and soil impact indicators.

## OUR SITES: OUR HSE (HEALTH, SAFETY AND ENVIRONMENT) POLICY

Focus on site figures and results\*:



More than **16,300**  
equivalent trucks  
manufactured



**/2** industrial water  
consumption between  
2011 and 2015

\*Scope: France



**34.7 cWh**  
of energy needed

**4** of our 6  
European  
sites certified

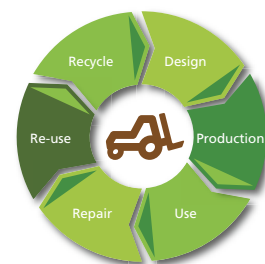


**99.6%**  
of our waste is  
recycled or recovered

\*Scope: France



Actions  
conducted  
throughout the  
life cycle of  
our products  
to reduce their  
impact on the  
environment



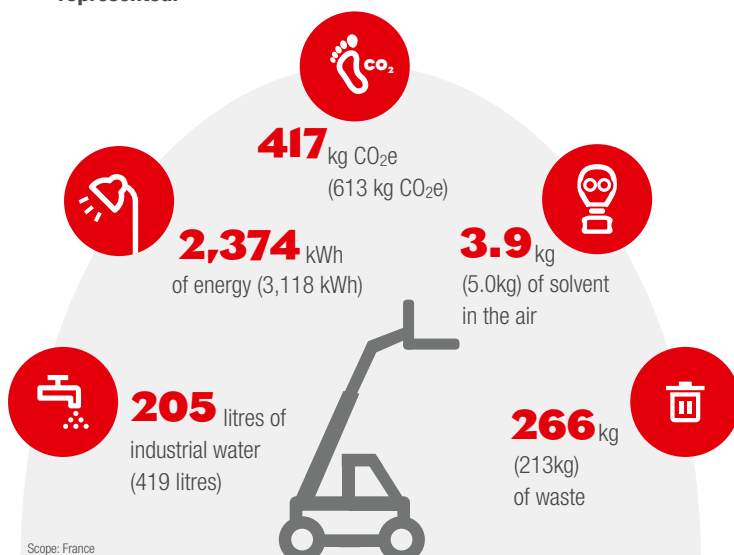
Production is only responsible for 1% of the environmental footprint throughout the machines' life cycle. However, we strive to improve our footprint at each stage of the product's life cycle through careful management and with input from our employees. Our commitments to the environment are presented in our HSE (Health, Safety and Environment) policy and are broken down into 5 areas:

- Meet our legal requirements and the expectations of our stakeholders,
- Involve the interested parties (employees, suppliers, external companies, our customers),
- Increase safety and protect health,
- Reduce our consumption and protect the environment by reducing the impacts in our factories and of our products,
- Continuous improvement.

The major impacts on our sites are:

- Energy consumption and greenhouse gas emissions,
- Emissions associated with painting,
- Production of waste.

In 2015 (2011), our consumptions for a truck (equivalent MLT735) represented:



\* Scope Manitou BF (France) and Manitou Italy (unless stated otherwise)

Our first commitment is the compliance of our sites with regulatory and other requirements: insurance companies, neighbours, government. Our production facilities are Installations Classified for the Protection of the Environment (ICPE). More specifically, the main site in Ancenis renewed its operating license in 2015.

### ■ OUR ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental management is incorporated into the general MHA and S&S organisation by way of an HSE process and with the integration of the QSE (Quality, Safety, Environment) Department reviews. The creation in 2015 of an inter-site HSE business line Corporation enables good practices to be shared and expertise to be provided on various subjects.

We began our ISO 14001 certification approach in 2007 and since then have been gradually rolling it out to our sites. The objective being to obtain ISO 14001 certification in 2017, our access platform production site in Candé is next in line; an environmental analysis was already conducted in 2015 to identify the priority actions.



**66% of our sites are ISO 14001 certified or have applied for it**

(volume of 2015 turnover)

### ■ EDUCATION AND TRAINING

Communication is essential for raising employee awareness of environmental issues. This is why the approach is presented during the induction for new recruits: each week for operators, each quarter for other employees. Monthly HSE communications (meetings, intranet articles and posters) then notify employees what action is being taken and of the monitoring of environmental indicators. In addition, some employees are trained in the use of decontamination kits, for work in explosive atmospheres, in the use of refrigerants and in chemical hazards. In 2015, Manitou Italy introduced ADR training for the transport of hazardous goods and training on the new waste classification (Regulation 1357/2014).

We also invite our service providers or visitors to adhere to our environmental protection approach through prevention plans and general Safety and Environment instructions.





## Consideration of the environment at the beginning of projects

When a new construction is under way or an installation is being created, the environmental issues (energy, waste, regulations, etc.) are incorporated at the beginning of the project. Specifically, the creation of a new building in 2015 (France, Ancenis) provided an opportunity to implement the most efficient solutions for controlling our energy consumption and ensuring employee comfort.



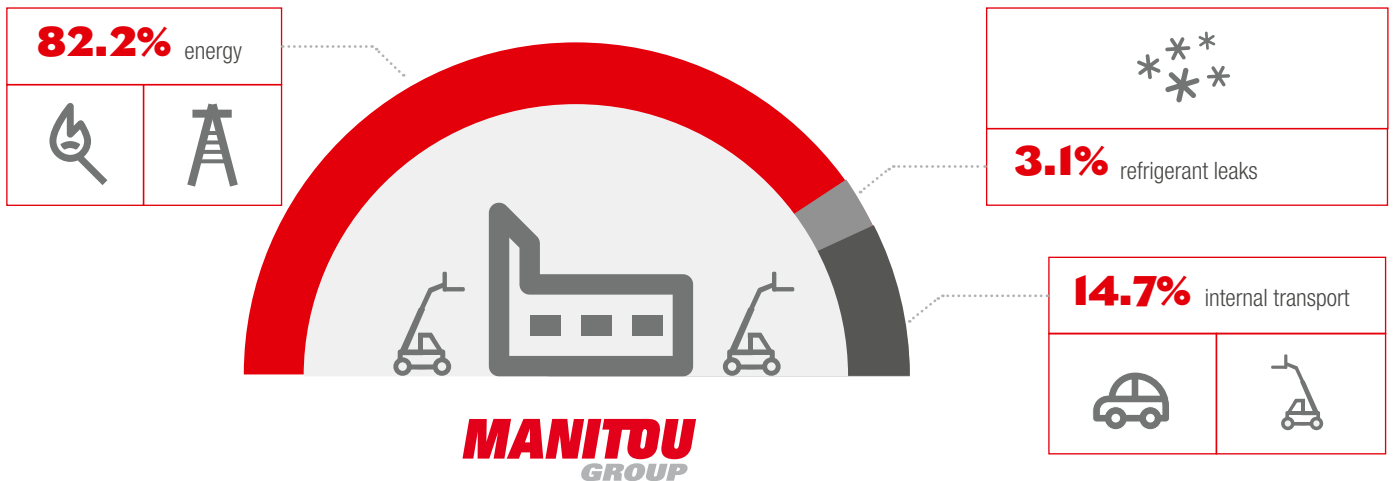
## Chemical hazards

The Group now has a new tool for registering, monitoring and evaluating chemical risk for all chemicals used on its French sites. This is used to identify the substances for which we monitor employee exposure. Action to eliminate or replace the 26 CMR (Carcinogenic, Mutagenic and toxic for Reproduction) products is ongoing.

Employees who use or store chemicals receive chemical hazard training.

In order to fulfil its obligations relating to the European REACH Regulation as a producer of items, Manitou relaunched a task force in 2015. Following on from a campaign conducted two years ago, we are organising a new supplier survey for 2016.

## REDUCE OUR ENERGY CONSUMPTION AND GREENHOUSE GAS (GHG) EMISSIONS



The annual review of greenhouse gas emissions provides a chance to prioritise actions designed to reduce our global impact. It reveals energy as the main factor, and more specifically the consumption of gas at 63%.

**Background:** The production and logistics sites consume electricity and gas for comfort or process purposes. Depending on the outside temperature, their use may vary: a hot summer could increase electricity consumption (air conditioning) and a harsh winter would increase gas consumption. As the severity indices\* in 2014 and 2015 were approximately the same, the proportion of gas stands at around 57% and electricity at 43%. 2015 and 2014 were similar in terms of outside temperature but also in terms of production rates on the sites.

**Our tools and methods:** the implementation of the improvement actions identified in the energy audits enabled us to maintain in 2015 a low level of energy consumption and emissions, despite an increase in the gas consumption (+11%) of one of our sites (Laillé) for which the paint application and firing activity had been outsourced for 4 months in 2014 so that the installation could be replaced.

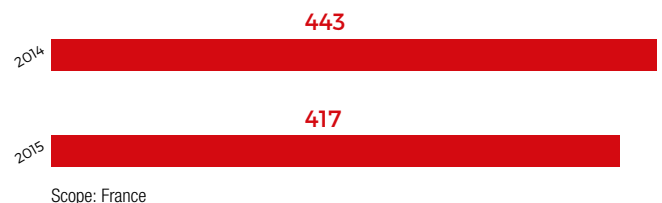
**Highlights of the year:** In order to implement an Energy Management system and coordinate the Energy action plan, at least one person on

\* L'indice de rigueur climatique est le rapport entre un indicateur de climat observé et un indicateur de climat de référence (période trentenaire). Cet indicateur est constitué par des degrés jours unifiés (écart journalier entre la température observée et 17°C).

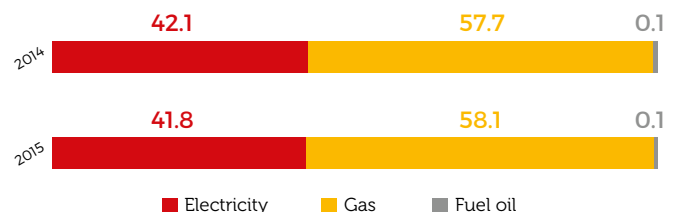
each site has been appointed as "Energy Officer" and received appropriate training.

### GHG emissions

in kg CO<sub>2</sub>e per MLT735 equivalent truck

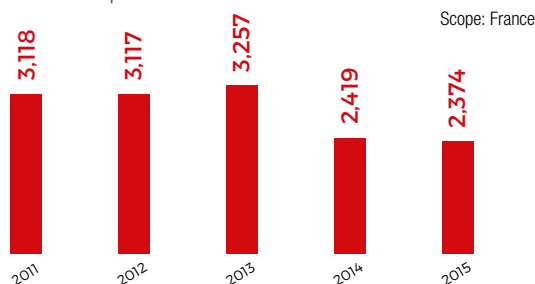


### Distribution of energy sources consumed (%)



**Energy consumption**

in kWh per MLT735 equivalent truck

**ENERGY MANAGEMENT ON A PRODUCTION SITE**

"On the Ancenis site, we began with low-cost anti-waste actions such as optimisation of heating or air conditioning programme clocks. We have also strived to improve the reliability of the data of the sub-meters necessary to understand our usage in each building. Lastly, as compressed air leaks can represent a large part of our electricity bill, we have sectorised the compressed air networks by installing motorised valves and controlling them with a centralised BMS (building management system) calendar. In this way, the compressors are only called upon as required for the activities and air losses from installations with breakout (e.g. pneumatic jib) are limited."

Virgile Bellanger, Maintenance Manager (France, Ancenis)



"On the Castelfranco site, 12 m<sup>2</sup> of thermal solar panels have been installed to produce hot water and reduce by around 50 MWh the annual natural gas consumption. We implemented a building management system in 2015 and we can now observe the energy consumption of each electric meter in real time and analyse the areas that use most energy. Alongside that, we have contacted an external body to carry out an energy audit and identify reduction actions to be implemented from 2016."

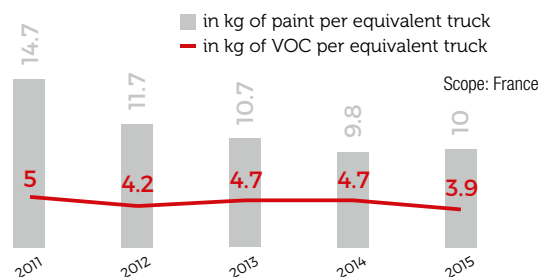
Francesco Bellantoni, Maintenance, Safety and Environment Manager (Italy, Castelfranco)

Even though commuting is not taken into account in the Greenhouse Gas Balance, we are intending to implement alternative solutions for employees, such as a free shuttle bus between the station and the various Ancenis sites, and bike shelters. In 2015, a bicycle allowance was introduced. These measures encourage employees to choose modes of transport that emit less CO<sub>2</sub>. Furthermore, the forum on the Group intranet also facilitates car-sharing between interested employees.

## ■ REDUCE EMISSIONS ASSOCIATED WITH PAINTING

**Background:** Emissions of Volatile Organic Compounds (VOCs) are the result of using organic solvents in our paint application activities. They contribute to acidification, eutrophication and high concentrations of tropospheric ozone. The Group is involved in programmes that aim to reduce these emissions. For several years, the company has tried out its painting process, a strategic process integrated into our expertise. The primer is an aqueous phase paint, while the topcoat is a paint that contains solvents in order to meet the strict quality standards of our products.

**Our tools and methods:** To reduce emissions of solvents into the air, the Group can limit its consumption of paints that is still linked to the surfaces to be painted, or use products with a lower solvent content. We have chosen to source products with a lower solvent content and new technologies that apply to the processes in place. From 2007, the Group implemented

**Paint consumption and VOC emissions**

a powder paint application process (zero discharge) on the masts and carriages of the trucks.

The increased consumption of paint is linked to the increase in demand for colours by rental companies that buy our machines (+25% between 2014 and 2015), which calls for cleaning and drain-down of the installations whenever the colour is changed.

The reduction in VOC emissions is explained by the use of paints with a lower solvent content.

**Highlights of the year:****TESTING OF A HIGH DRY EXTRACT PAINT AND A NEW APPLICATION PROCESS** (France, Ancenis)

"In 2015, on the Ancenis site, the topcoat application booth, which alone accounted for 45% of the site's solvent emissions, was fitted with electrostatic guns that give a better transfer rate onto parts. This results in a lower paint consumption and, as a result, reduces VOC emissions. The second action involved working on the properties of the paints with a view to replacing the solvent-based ones currently used with "high dry extract" products that contain fewer solvents."

Stéphane Bonnier, Production Technician and Paint Expert

**WORK ON DIFFUSE VOC EMISSIONS** (France, Candé)

"When, in 2014, we noticed that a significant proportion of our VOC emissions were generated outside of our paint booths, we undertook to replace a degreasing product with an organic product. This action called for a major change in operator habits but today they are praised for avoiding the emission of 300 kg of VOC over the year, i.e. a reduction of more than 60% of the emissions of the Candé site."

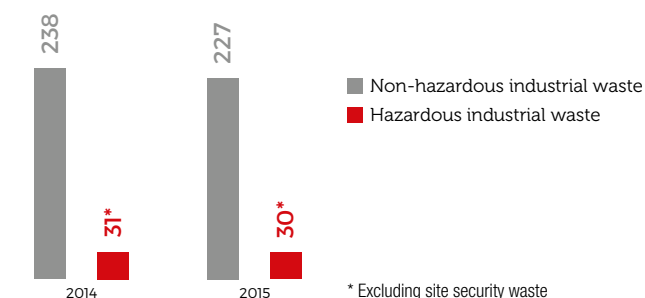
Yannick Bosse, Maintenance and HSE Manager

## ■ IMPROVE WASTE MANAGEMENT

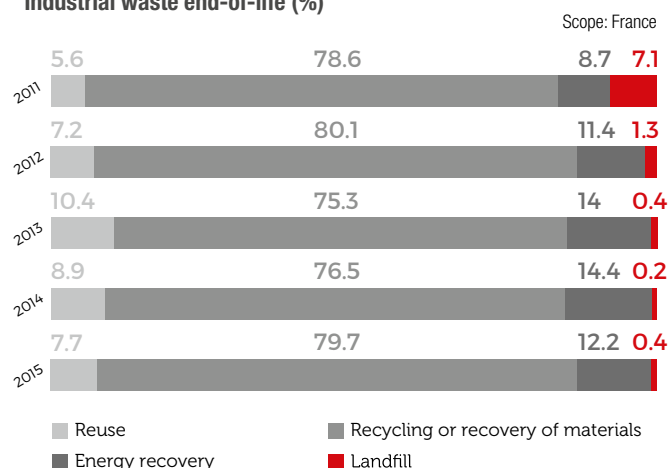
**Background:** Waste poses an environmental challenge for our sites. Communication, promotion and optimisation work was done when the global waste removal and processing service began on the French sites. For the last 2 years, new waste has been appearing in the global review: this is site security waste generated when an installation is dismantled for rehabilitation of the area. In 2014, there were 25 tonnes, in 2015, 45 tonnes linked to the rehabilitation of the ground of 2 machining facilities.

**Our tools and methods:** They relate to the quality of sorting at source, the quantity of waste generated that is linked to our activity volume and the packaging received from our suppliers. Waste is directed to the appropriate channels, where the Group favours reuse first, then recycling and energy recovery, and lastly controlled landfill. This is why our non-hazardous waste is almost all reused, recycled or recovered. Only the Beaupréau site sends this waste to local industrial landfill as a general environmental review led to us favouring proximity over recovery as an exception.

## Volume of waste in kg per equivalent truck



## Industrial waste end-of-life (%)



Many actions are included in our good practices: sorting and recycling of plastic cups, compacting of cardboard, sorting of organic waste, separation of different plastics or the deployment of durable movable platforms or fabric protection circuits that limit the use of plastics and foams to protect first-fit parts from impact and friction.

## Highlights of the year:

- The provision of wood milling equipment enabled the Laillé site to reduce rotations of the wood skip by 48%.
- Sorting of plastic stoppers for a local charity “Les Bouchons d’Amour”.
- Sorting of plastic strapping.

Despite the attention paid to this issue, the quantity of waste generated did not fall in 2015. This is due to the destocking done to make room for stocking even more new products. For example, the Beaupréau site saw the highest increase (+65% of Non-Hazardous Waste compared to 2014) linked

to the transfer of an activity to another site (warehousing) and the return of production of a truck (the “M”). An action plan is currently under way.

## PROTECTION OF BIODIVERSITY

**Background:** if sites are operated near to protected natural sites, we take the necessary prevention and biodiversity protection measures. The Ancenis site is, for example, located near to the Marais de Grée, a ZICO and ZNIEFF classified area.

**Our tools and methods:** in order to also reduce the impact of pollution by rainwater, the rainwater networks have been fitted, before discharge into the natural surroundings, with a pre-treatment system and a sludge/oil remover, which is checked and cleaned regularly. Furthermore, measurements are taken every six months to check that the systems are working correctly.



Source : Google Map

In the event of an emergency, in particular a chemical spillage, decontamination kits are available, as well as rainwater outlet closures. The site has 3 storm-water basins with shut-off valves. When new buildings or facilities are being fitted out, the various constraints (for biodiversity, the use of the land and in relation to the landscape) are taken into account.

**Highlights of the year:** when the machining centres were dismantled in 2015, soil contamination analyses were performed, the area was redeveloped and the concrete waste was processed according to its contamination. The same was done when a new internal truck fuel discharging area or an electrically-driven truck charging area was created. The areas were given a specific coating and a retention system.



Marais de Grée, Ancenis (France)

Source : [https://fr.wikipedia.org/wiki/Marais\\_de\\_Gr%C3%A9e#/media/File:W2377-Ancenis\\_MaraisGree\\_0002N8.JPG](https://fr.wikipedia.org/wiki/Marais_de_Gr%C3%A9e#/media/File:W2377-Ancenis_MaraisGree_0002N8.JPG) – libre de droit

## ■ SUMMARY OF ENVIRONMENTAL INDICATORS

Indicator	Unit	2014	2015
Proportion of sites with or soon to have ISO 14001 certification	Percentage of TO generated	57%	66%
Compliance of aqueous industrial waste	%	94.6%	95.3%
Volume of Industrial Waste	kg / equivalent truck	269	257
Water consumption	m <sup>3</sup> / equivalent truck	1.49	1.48
Paint consumption	kg / equivalent truck	7.8	8.1
Oil consumption	kg / truck	111	125
Energy consumption	kWh / equivalent truck	2 087	2 130
Equivalent truck MLT735	No. of equivalent trucks MLT735 produced	16 809	16 312
VOC emissions **	kg VOC / equivalent truck	4.67	3.90
GHG emissions**	kg / equivalent truck	443	417

\*\* scope France



**Serge FROMENTIN**, Mechanical Maintenance  
Technical Staff (France, Ancenis)

### ORGANISATION TO REDUCE OUR WATER DISCHARGES

Storage of water in paint pits

"We installed sluice gate valves in the weirs to temporarily store the water from the pits. This saves 260 m<sup>3</sup> of water, reduces the waste processed in the purification station by the same amount and saves the processing products from the pit. However, a biocide now has to be added to avoid odours."

### REUSE OF WASTE WATER: REDUCED WATER CONSUMPTION, FEWER DISCHARGES.

"The waste water from the demineraliser (water with a high mineral content) was previously directed into industrial waste water. Thanks to a technical modification, this waste now goes to a pit under a paint booth that consumed water for top-ups. This initiative was also developed for waste water produced by booth rinsing."



Sluice gate valve under paint booths



## 4.3 OUR TOP PRIORITY: HEALTH AND SAFETY

### FOR OUR USERS AND CUSTOMERS

#### ■ CUSTOMER SAFETY: OUR STRENGTH

We place the utmost importance on compliance with current standards (noise, visibility, stability). Strictly speaking, we go beyond application of the standard when this enables productivity to be optimised while guaranteeing maximum user safety. For example, as the scope of standard EN 15000 is limited to machines when stopped, it does not cover all of the truck's forward tipping risks. It was therefore decided to look again at all of the risks depending on the multiple applications offered by a telehandler. This analysis led to the creation of three different operating modes that guarantee maximum safety, productivity and comfort for users of our machinery.

Our ability in special applications to develop machine/attachment/service solutions to ensure optimum safety is recognised. Meeting extremely specific safety demands, in environments exposed to hazards, has become an area of in-house expertise.



*Development of the large capacity actuator clamp for the mining market to respond to the following problem: **How can we easily and safely facilitate maintenance of high tonnage actuators while avoiding suspended loads?***

Connecting the wrong attachment or an unapproved attachment means a user risking reducing the performance of his machine, but more than that, it endangers his safety. Since it was set up, the priority of our Attachment Skills Centre in Italy has been the safety of the machine-attachment pairing in order to avoid inappropriate applications. Each machine-attachment pairing follows a precise validation process that focuses on safety and guarantees optimised performance of the assembly. This unique validation procedure ensures maximum safety for the machine and the operator, regardless of the conditions of use. By choosing a Manitou solution, we want to give our customers the certainty that they have made the best possible investment. We apply the same high standards to the qualification of our components and in our tests (fatigue strength, test bed, etc.)

In addition, our equipment offering that ensures additional security for operations is extensive to meet all requirements. For example, the presence detector in the seats, cab pressurisation, the charge controller, the automatic handbrake, the less noisy "lynx" reversing alarm, the cameras, etc.

#### ■ THE COMFORT OF OUR MACHINES: EXPERTISE USED TO PROTECT CUSTOMER HEALTH

##### Ergonomics

For all-terrain telehandlers, we assess the ergonomics, overall comfort and noise of the ranges (with and without cab) and we are keen to consult

customers about their expectations. For this, we incorporate an ergonomic appraisal associated with our product development plan, in order to optimise the ergonomics of driver stations and the overall comfort of the trucks. To design more comfortable machines, we produce ergonomic evaluation reports.

The main criteria for this action aim to improve cab visibility and the ergonomic comfort of the driver station, facilitate access to driver stations, make the position of the controls consistent across our ranges and organise the man-machine interfaces.

The ergonomic approach is the responsibility of the design department and focuses in particular on usage and human factors: the ergonomic approach is organised around an iterative process involving analysis of user needs, a creative approach to innovative solutions, following by life size tests of these proposals to confirm and optimise their development.

One specific example is the joystick designed and developed by the design department, in partnership with R&D, which is used in many of our trucks. Its development began with an observation. How can we reduce the fatigue generated by the hand grasping this control, which is the cockpit component that is most used, while offering a comfortable and intuitive solution? The response was to imagine a form that fits snugly into the palm, avoiding muscular tension, then having functions that are as natural as possible. This control is now one of the leading features of Manitou products.

The design team also re-evaluated the cab in light of the growing population of users by incorporating specific information from the main geographical areas: the column adjustment was doubled as a result.



#### Focus on Comfort & Safety Innovation: the Comfort Steering System

**Increased comfort:** a Manitou telehandler is used for more than 1,000 hours a year, mainly for loading and handling operations for which the steering is not used very much. Manitou estimated that the driver did around 3,000 turns of the steering wheel every day. Thanks to the Comfort Steering System, a single turn of the steering wheel is needed to perform a complete rotation of the 4 wheels (instead of 4). This improvement reduces strain and significantly enhances driver comfort.



**Increased security:** this is the 1<sup>st</sup> system applied to 4 drive wheels for achieving manoeuvrability that has never been seen before. This incredibly precise system is based on an ergonomic control that takes into account the speed of the movements of the drive wheels. It automatically adapts depending on the application of the machine to ensure its stability. The system also adapts to the position of the boom to guarantee the machine's stability. Beyond the upper threshold of the boom, steering will be automatically inhibited by 1 to 4 turns of the steering wheel.

### Acoustic comfort

We began an approach to improve the acoustic and vibratory comfort in the cab, with the aim of significantly reducing the overall level of noise and vibration, but also to identify and eliminate nuisance noises.

The first main action was the acquisition of skills in R&D in the field of “psycho-acoustics” or “acoustic perception”, vibro-acoustic expertise aimed, on the one hand, at determining the disagreeable or pleasant nature of a sound (for example by measuring the loudness and the roughness, via jury testing, etc.) and, on the other hand, at determining the level of intelligibility (for example of something that is said on the radio, or of a telephone conversation in the cab, etc.). This phase was launched via two separate and complementary tracks:

- the launch of a task force with a trade union and companies from the farm machinery sector, and with the involvement of leading French experts in the field of psycho-acoustics. The plan of action includes training, studies and tests.
- the creation of a partnership with a large engineering school providing training in vibro-acoustic expertise, for an acoustic perception study of a cab of a Manitou truck. This study enabled us to make significant improvements in terms of comfort.

The second major action was the consideration of constraints from the design stage of products under development (products for the agricultural market to start with, available by 2016-2017). These constraints relate to the acoustic insulation of the cab and its decoupling from hydraulic noises. The results obtained are already very encouraging.

## FOR ALL OF OUR EMPLOYEES

Safety and risk prevention form an integral part of the company's social and societal responsibility. Our health and safety commitments are presented in our HSE (Health, Safety, Environment) policy. Our policy is to prevent accidents and occupational diseases by ensuring that the risks are taken into account in operational management of the production processes and in the projects. To do this, everybody's involvement is vital. Our employees are educated, actions are developed for the major risks, and the results in terms of severity and frequency are incorporated into the evaluation of the performance of the production managers and the HSE (Health, Safety, Environment) teams.

<i>Employees</i>	<b>2013**</b>	<b>2014</b>	<i>Sector Average***</i>	<b>2015</b>
Frequency	17.72	15.30	24.6	12.36
Severity	0.27	0.35	1.2	0.32
Number of occupational diseases (declared)**	12	16		8

\*Scope France, Italy, USA

\*\* Excluding USA

\*\*\* 2014 data from the lifting and handling equipment manufacturing sector



### An industrial tool in line with our ambitions

In 2015, two major investment projects began under the safety improvement approach:

- 2 new automated welding facilities for the heads and tubes of booms were commissioned, representing an investment of €450,000 each.
- 2 new machining centres (for making raw metal parts), representing an investment of €2.2 million.



### Safety from the outset!

**The project:** our engines have to evolve in October 2016 (shift from standard Stage IIIB to Stage IV or TIER 4 aimed at reducing pollution), so we have started by working on two models intended for the US market, as the standard is changing from January 2016 on the other side of the Atlantic.

**The approach:** early in the project, a team of versatile operators, technical workshop assistants and production engineers joined the project team to share the production constraints. This enabled the R&D, Purchasing and Logistics teams to take them into account from the outset and to very quickly develop solutions designed to improve workstation ergonomics.

**An example?** On the exhaust line, the team soon alerted the “prototype” and “method” engineers to tell them about the heavy weight of the component to be handled (between 70 and 80 kg). They were then able to develop a more appropriate tool very early that improved the ergonomics of the workstations considerably by reducing the loads to be lifted.

The primary cause of recognised occupational diseases concerns musculoskeletal disorders (MSD), mainly Carpal Tunnel Syndrome. In order to focus on prevention, we launched with CARSAT a major “Pro MSD” approach to take into account the various MSDs on our sites (starting with the Spare Parts Logistics Centre and the main industrial site). Within this context, one Manager was trained in “coordinating an MSD approach” and two prevention officers were trained to get the PRAP Monitor qualification (risk prevention associated with physical activity).

Furthermore, a certain number of actions have, for example, been conducted in relation to workstation ergonomics in the mechanical welding sector, which is one of Manitou's key departments where accidents are most frequent: 5S, Kaizen, etc. In 2016, studies based on the introduction of exoskeletons will also be developed in order to relieve operator stress at certain workstations.



### Focus on our largest industrial site: deployment of a safety approach

Each operational sector defines a specific HSE action plan based on the general HSE policy. To ensure that operational good practices are used every day, safety volunteers are appointed by each team. Weekly reviews are organised with the team leaders and a safety summary is circulated each week. The Safety and Prevention Department carries out safety audits that are followed by actual actions out in the field to improve working conditions: installation of new equipment (e.g. easy wheel cart guided by Wi-Fi), improved personal protection, improved workstation ergonomics, working group on difficult working conditions. Furthermore, and as part of the continuous improvement approach, operators help to identify the risks of their workstations and regular reviews are conducted between managers and their teams.

The prevention work we do in partnership with our temping agency (on our premises), and our commitment to general safety training for temporary workers (around 30 sessions in 2015) and their workstation training, have borne fruit.

<i>Temps*</i>	2013	2014	2015
Frequency	50.8	46.5	18.5
Severity	0.58	0.36	0.15

\*Scope France, Italy

15.2% of training hours dedicated to safety in 2015, of which:

- 38% on driving and operating trucks and platforms
- 28% on operating overhead cranes
- 13% on first aid at work training
- 11% on fire training
- 9% on operating stackers



## 10 in-house trainers\*

\*Scope France



### Workstation ergonomics in our Spare Parts Logistics Centre: the fruit of mobilisation!

During 2010, a workstation ergonomics scoring approach was adopted. After 5 years of successive improvements, CARSAT praised the CLPR site's approach and the results obtained. All of the actions taken over the 5 years were incorporated at the end of 2014 in the new PRO MSD device.

In total, 26 workstations had originally been rated within the warehouse, with results that needed improvement (scores in 5 categories of physical strain: back, shoulders, elbows-hands, knees, vibration).

	2010	2015
Good:	27% of workstations	Good: 54% of workstations
Average:	31%	Average: 42%
Poor:	42%	Poor: 4%

The last workstation rated "poor" should disappear in early 2016 with the introduction of new handling tools (sucker, elevating platform, etc.).

#### Specific pneumatic sealer



Stopping of manual strapping. Ergonomics and security improvements.

#### Handling by suction cup



Reduction of charging port thanks to an assisted handling system.

## 4.5 REINFORCING THE SUPPLY CHAIN AND OUR PARTNERSHIPS

The Group places particular importance on the dialogue it undertakes with its suppliers, its dealers and regional players. The CSR approach is based on the creation of value shared with all of these stakeholders.

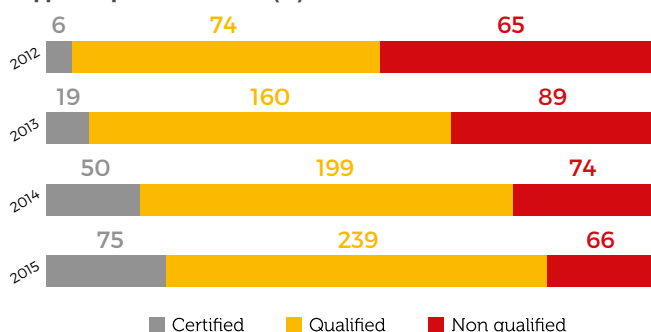
### RESPONSIBLE PURCHASING

In line with our values, we have a purchasing policy that aims to create a lasting and fair relationship with our suppliers that is fruitful for everyone involved.

The emphasis is on the following areas:

**Sustainable and responsible performance:** the work done in 2015 improved further the good results observed as far back as 2012. Indeed, 80% of the suppliers (by volume of purchases) evaluated achieved the required performance in 2015. We must remember that improvements in the performance of our suppliers has a direct impact on the performance of our machines and the satisfaction of our customers while improving the profitability of our suppliers. We find ourselves part of a virtuous circle.

#### Suppliers quotation results (%)



Results of the supplier rating:

- Score < 70/100 => Not Qualified
- Score > or = 70/100 ; Score < 90/100 => Qualified
- Score > 90/100 => Certified



All of the suppliers rewarded in 2015 and the teams

It is also important to recognise this performance and this is why, during our 2015 Suppliers Convention, some suppliers were rewarded for their operational performance or for a remarkable action that Manitou wanted to promote.

We also presented certain CSR "good practices" at the Elevation Days, involving some of our supplier partners and one of these subjects was awarded a jury prize for the greatest satisfaction and pride of this supplier and the teams in question.



2015 Elevation awards ceremony

To rise to these new challenges, the criteria for evaluation of supplier performance will be changing from 2016, with the addition in particular of criteria for the management of risks by suppliers and reinforced CSR criteria. This new CSR rating of suppliers was tested with a representative panel before it was launched to ensure the relevance and understanding of the issues.

#### Self-evaluation regarding the following CSR-related topics:



HR



Responsible offer



Health and safety



Environment



Procurement and suppliers

Sustainable performance is therefore involved in management of the company's operating costs. For example, we reduced the printing volume by 12% in 2015 following the signature of a new 5-year contract with our partner and thanks to the introduction of a badge printing system and monitoring of consumption. This is a "win-win" partnership with benefits that are both economical and environmental.



€380K spent with companies in the sheltered work sector: cleaning, maintenance of green spaces and provision of services. (France)





### Case study: How have we managed to keep 75% of our counterweight production in France?

Our teams have embarked upon collaborative work with the FMGC (Fonderie et Mécanique Générale Castelbriantaise) in Soudan, a historical partner, in relation to technical optimisation and shared productivity actions: the whole finishing process (trimming, painting, etc.) is put under the microscope. The result: the counterweights will have a rough surface rather than a smooth, shiny surface, making it less expensive.

This collaborative work has enabled our supplier to maintain its historical activity level despite Chinese competition, a collaboration that has been formalised by the signature of a 3-year contract.

In 2015, we rolled out our Responsible Purchasing Charter for our major suppliers. This charter gives details of the commitments expected of suppliers in the Group's three main areas: sustainable solutions, people, and partnerships. In 2015, more than 150 suppliers committed with Manitou to these values, therefore covering more than 55% of the Purchases. This deployment will continue in 2016, with the aim of eventually (2018) covering 80% of the purchasing volume.



**In 2015, more than 150 suppliers committed with Manitou to these CSR commitments, therefore covering more than 55% of Purchases.**

Moreover, more than 200 suppliers can now access the supplier extranet. This tool notifies suppliers of significant developments with the Group's CSR approach, provides information and collects data linked to the REACH Regulation on hazardous substances. It is also used to share the quarterly performance evaluations and monitor the associated action plans. New features were introduced in 2015 and many others such as EDI (Electronic Data Interchange) are planned for 2016.

In addition to these examples, we are going to officially launch our Value UP project in 2016 to launch a performance dynamic in conjunction with the guidelines of the Group and the Divisions. This project, which is based on the creation of fair, long-term relationships, confirms the



Group's aims in terms of cost reduction and management of risks. It places more emphasis on the **creation of value and on reinforced, structured collaborative approaches**. One illustration of this is the development in partnership with one of our key suppliers of a hydraulic hybridisation solution (Eco-Booster), presented together at the Agritechnica trade show in November 2015.

We also want to develop and coordinate Think Tanks to bring together, on a given subject, the skills of the suppliers and Manitou to identify and implement optimisation and value creation actions.



Lastly, Value Up aims to continue our action to reinforce the regional SME fabric by working to create an "Off Highway" sector, in a form yet to be defined, that will enable these SMEs to regroup, structure joint offers, implement innovations, pool competences and/or investments, etc., in short to give them an opportunity to be stronger and more agile and to support the development of our respective activities and ambitions.

Eco-Booster, Agritechnica 2015

## OUR NETWORK & OUR TERRITORY

### ■ WITH OUR DEALERS

The Group has launched a Global Quality Charter with its dealers. Developed to offer our network a growth and development tool, it enables exchange and evaluation of our dealers on the commercial and service aspects. In order to drive a CSR dynamic and to identify good practices, we have created a CSR section in this charter. Dealers will now have a CSR score in which they will find their evaluation in relation to various points: monitoring of the skills of their teams, training, management of health and safety and environmental management. This brand new tool was rolled out to a few French dealers in 2015.

We also place a great deal of importance on the deployment of the REDUCE programme in the network. With 1,400 dealers worldwide, we are first targeting our subsidiaries in areas most sensitive to the issue of consumption, to help them transform REDUCE into an additional sales argument. We provided them with a set of tools to promote the approach and to answer questions from customers. A REDUCE e-learning course is also being developed with sales staff.

Lastly, we are hoping that our Elevation Challenge, which we organise once a year, will be of interest within our network.

## ■ WITH LOCAL PLAYERS

### A platform for farm machinery innovation in the making

For many years, the Group has been working with the Pays de la Loire region and other Farm and Off-Road Machinery players to develop a PRI (Research and Innovation Platform). This project aims to pool heavy test resources and expert appraisals. In practice, this means facilitating access to existing structures, and even investing together in new resources (dynamic load benches, climate or acoustic chambers, standardised test tracks, etc.). This test centre would provide the Group with the resources it really needs.



This project has already been a success: our test teams benefit within the context of the PRI from army infrastructures near to Angers (Maine et Loire) to observe the behaviour of machines under temperatures ranging **from -25°C to +46°C**. The aim? To check different machine and cabin behaviour: demisting, air conditioning, heating, solar radiation, etc.

### Schools

2015 saw the introduction of partnerships with schools and universities near to the head office, selected for the quality of their training programmes (Audencia Group, ESSCA, ICAM, IUT – Université de Nantes). These partnerships take different forms depending on the profile of each school or university: involvement in recruitment forums, teaching actions, placements and internships, suggestions for consulting projects, research projects, etc.



### Major involvement for the new generation of welders (USA)

In parallel, since the end of 2014, Manitou Americas has entered into a partnership with Madison college, enabling students in the region to discover what we do and help them to choose a course. Manitou Americas has subsidised one of the programmes accessible to young people on welding methods for which nine students have currently signed up. The governor of South Dakota and the superintendent of the academy emphasised the importance of this project and the Group's non-negligible impact to help retain labour in South Dakota, a State in which the turnover of our welders is very high because of the oil wells.



### Through the Elevation challenge, Manitou is committed to encouraging young people to stay in education (France)

The principle is simple: some young people cannot imagine the jobs they could get in the future. Meeting employees and visiting a factory is of real benefit to them.

This is what was organised at the end of 2015, on the Ancenis site and the Candé site. The event took the form of "speed dating" with various employees, who explained to them what they do for a living, as well as a factory tour, so that they could see how a truck or platform is manufactured. On the agenda for 2016: employee profiles, production of a film on women in industry, and a bike ride.



### Local organisations

Several actions were completed in 2015 illustrating the importance that Manitou Americas places on its footprint in the territory. Some of them not only significantly improved day-to-day life for many people in the community but also had a direct impact on the environment. We have chosen to illustrate two of them:



### Habitat for Humanity

The employees of Manitou Americas donate their time on Saturdays to take part in a project to construct two houses on behalf of this NGO that works to give access to housing. The company has donated machinery and also offers equipment and attachments for the period of the construction projects. Thanks to the new "New Rescued Wood" programme in 2016, volunteer employees will now have the opportunity of being trained in treating trees contaminated by parasites. Wood is the main material used for constructing houses in the USA.



### United Way

The main areas of action of the NGO, which has a worldwide presence, are education, healthcare and economic support for communities.

This year, donations from employees of Manitou Americas increased by 20% and the Group raised more than \$18,000. This significant effort by employees led to the company being recognised in the "Leaderboard 2015" for companies who raised the most within the community.

## 4.5 COMMITTED EMPLOYER

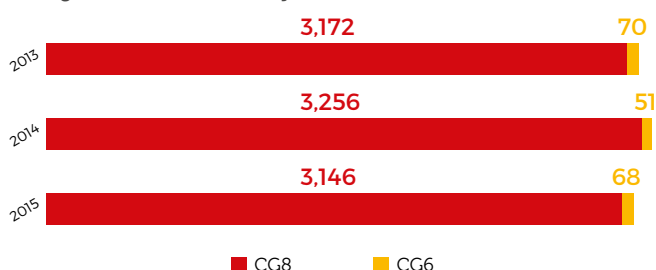
The new roadmap of the Manitou Group for 2015 -2018 focuses on 4 main areas, one of which is the men and women of our Group. In this new roadmap, the HR function is committed to delivering sustainable and profitable growth thanks to the performance of our employees and our processes, and thanks to the culture of our Group, through 5 priorities:

- Strengthen the business partnership
- Support the Group's transformation
- Promote our human capital
- Involve our employees
- Modernise the HR function

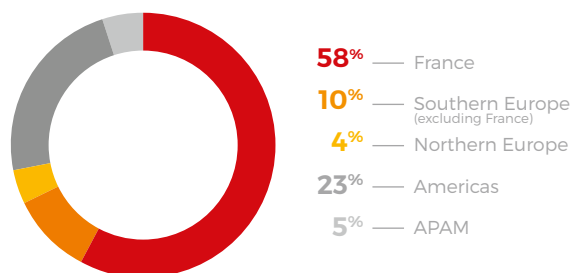
We are indeed convinced that our leadership in products and services is built sustainably on men and women who embody the culture of the Group around the world. Our commitment as an employer is guided by our prioritisation of health and safety, by the performance and the professional development of our employees, and by the incentives that mobilise the teams.

Get to know us better with a few key figures:

### Change to workforce over 3 years



### Distribution of workforce as of 31/12/2015 by geographical area



The employability of employees is at the heart of our social responsibility: versatility on our production sites, development of skills and internal mobility are key areas of our Human Resources management policy.

Several Human Resources processes are in place to develop career planning and mobility:

- All executive employees of the Group get an annual performance review, an opportunity to discuss with their manager and identify their strengths and areas for improvement.
- The annual OPR (Organisation and People Review) allows the actions necessary to improve organisations and employees, to develop skills and to identify talent at Group level to be implemented.



**13.5hrs** of training on average per employee

A computerised annual performance review for all Group executives

Training effort **2.22%** of the wage bill

Almost **45%** of the Group's workforce have been loyal to the company for more than 10 years

## DEVELOP SKILLS

Our Human Resources policy aims to support managers, develop skills and encourage loyalty of talents.



**256 recruitments on permanent contracts in 2015**  
**98% of the workforce has a permanent contract**

## ■ TRAINING, CENTRAL TO OUR COMMITMENT

A pillar of professional development, training is key to the Group's success. This results in a training access rate of 64% in 2015 and an average of 13.5 hours of training for each employee.

We have set ourselves the target of supporting our employees in continuous on-the-job adaptation, in the development of skills and expertise, and in the potential improvement of behaviour. To do this, our training offer combines role playing, continuous feedback from managers throughout the assignments conducted over the course of the year, and in-house and external training courses. The direction of training is guided by the Group's strategic priorities and focuses on 7 areas:



Within the current context of our Group's transformation, we see the commitment, the involvement and the action of our managers as key to the success of our new roadmap. To support our management through the Group's evolution towards an entrepreneurial and responsible dimension, we have reviewed our training offer with a new, progressive and modular Manager Path, in order to better adapt to each person's needs. All managers will be offered a training path as a matter of course within 6 months of assuming their role. In the APAM (Asia, Pacific, Africa, Middle East) region, Management training has been extended from Singapore to India and Australia.

42% of the Group's workforce is based outside of France. Developing and promoting our international exposure is essential. In this way, international mobility contributes massively to circulating our values and encouraging individual development: 18 employees were in international mobility in 2015.

Work/study programmes are also a great way of attracting our employees of tomorrow. On French sites, 34 people on work/study programmes are learning their trade in a context that combines theory and practice.



## FOCUS: the 5th Tech After-Sales intake is launched!

In 2015, we launched our 5th intake of After-Sales Service technicians. Four employees from different departments began a 2-year training course to acquire all the skills required to get an after-sales job, through technical lessons, English classes and placements in the various departments, in our subsidiaries and in our network. This in-house training conveys our desire to strengthen the skills of our employees and to encourage and support internal mobility for its strategic professions. Each of them can benefit from the experience and the skills of their sponsors, who themselves were in the 4th intake.



## Key figures:

- 4 intakes since 2002, and 1 Supply Chain intake launched.
- 19 employees "graduated" from the Tech After-Sales programme.
- Professions: travelling After-Sales Technician, Hotliner, Trainer, After Sales Area Manager, Product Support Officer, subsidiary After Sales Manager, Warranty Technician, Technical Documentation Author and Artist.

## ■ AN ATTRACTIVE AND MOTIVATING COMPENSATION PACKAGE

Supporting the development of our employees calls for a consistent, fair and attractive compensation package. We encourage and recognise the contribution of each individual to the company's performance and customer satisfaction. The consistency of internal remuneration is ensured by the use of a Group-wide job evaluation method. The wage policy of each country is measured each year against inflation, with an average increase in salaries above this. The concept of remuneration goes far beyond the basic salary: Group employees received an individual company compensation package with, depending on the country, variable pay systems for our executives and profit sharing, therefore recognising individual and collective performance. In 2015, Manitou Americas put in place an incentive scheme to associate the teams with the company's results.

The total sum of remuneration paid, including national insurance charges, is up by 0.5%. In parallel, the registered workforce has fallen by 4.8%. (Scope USA, France (outside LMH), Italy).

In order to provide better answers to our employees' questions, we wanted to set up an Individual Employee Review, sent each year to the homes of our

1,800 French employees. This educational document lists all of the different elements, financial and otherwise, of their overall compensation package: fixed, additional and collective pay, as well as the various benefits received over the course of the year.

## REINFORCE DIVERSITY

We are convinced that diversity is a source of wealth and a way to perform better. We therefore want to acknowledge and promote diversities.



### Manitou Group diversity:

- 13.5% of Group employees are aged 55 and above
- 23.1% of Group employees are aged under 35
- 17.7% of women in the Group's workforce worldwide (including 21% in middle management)
- 31 nationalities in the Group

A Charter for the promotion of equality in the workplace was signed in 2015 and aims to strengthen our commitment to:

- Guaranteeing fair treatment and non-discrimination within the Group,
- Ensuring equal opportunities throughout the life of our employees, regardless of ethnicity and cultural and social differences,
- Facilitating diversified representation of all demographic groups within our population, through employee recruitment, loyalty and development processes.

These principles are included in our Human Resources policy, in order to ensure the transparency and objectiveness of our procedures, designed not only to comply with all applicable laws, but also in order to improving the working environment and promote the diversity of culture, thinking and experience. We therefore want to communicate with and educate all of the teams on the subject and circulate good management practices to all of our employees.

Different programmes feature initiatives in 3 main areas: the development of employment of employees with a disability, the place of seniors in the company, and the promotion of gender equality.

■ **Equality in the workplace** is a fundamental part of our Group's culture. Various studies conducted in 2015 on gender equality confirmed the special attention we pay to this area. We are also committed to implementing proactive actions to continue to improve this equality, particularly by reinforcing the representation of women in technical and industrial jobs. We signed a three-year agreement on gender equality with our social partners in February 2015. At the end of the first year, 80% of the 10 targets have been met:

- guarantee fair treatment in the recruitment process (drafting of the recruitment guide),
- introduction of the equality in the workplace charter,
- facilitate performance of supervisory roles by women,
- encourage access by women to managerial positions with equal skills and performance,
- develop our internal women's network,
- offer family leave departure and/or return interviews to encourage the professional promotion of each employee taking family leave and to facilitate the arrangement of working hours following the leave,
- analyse and reduce pay gaps that are not justified for 2015 (allocation of a specific budget of €50,000),
- introduce remote working,
- create and distribute a parenting guide,
- bear the whole cost of paternity leave.





Amongst the objectives of our agreement is the creation of a women's network. Known as the "Women by Manitou Group", this network was set up in 2015 to bring together women from different departments of the company. Focusing on the values of work, respect, tolerance and solidarity, they take practical action to change mentality and improve gender equality in the workplace at all levels of the organisation.

■ Since the end of 2014, the Human Resources Department has adopted an initiative to improve the transfer of skills and **inter-generation cooperation**. 6 key professions were identified, including welding and Research & Development. The aim is to gradually anticipate retirements and propose ways to transfer skills and therefore ensure the continuation of knowledge within the organisation. Employees aged 50 and above in these jobs can get involved in in-house training as experts and teach young employees to do their jobs. We also encourage the recruitment of people on work/study programmes and continue to form partnerships with technical colleges, engineering schools and general universities.

■ 2015 gave us the opportunity to outline a new policy for **employing people with disabilities**. Thanks to the involvement of everybody, the strategy of long-term employment of individuals with a disability was reviewed and is accompanied by an action plan that focuses on 3 areas: 1. inform, educate and train all people in the company, 2. support people with disabilities, 3. strengthen partnerships with companies in the sheltered work sector. Through its commitment to people with disabilities, our Group is instilling in its culture the strategy of long-term employment of people with a disability.



**In 2015, the proportion of people with a disability increased from 3.21% to 3.39%**

## INTENSIFY SOCIAL DIALOGUE

In 2015, we decided to reinforce social dialogue by creating an Employee Relations Department. The aim is to reinforce the Group's social policy in France through a dedicated team under Group HR. The Employee Relations Director is responsible for coordinating dialogue by involving the various players from Employee Relations, the Human Resources Department, site management, staff representatives and trade union organisations.

During the 2015 mandatory annual negotiations, our discussions with partners tended towards the distribution of salary increases, while there was a consensus on the overall increase. The different trade union organisations therefore regularly resorted to industrial action on industrial sites during the 1st half of the year. As communication did not break down and borne of a desire to move forward together, Management suggested bringing the opening of the 2016 negotiations forward to the second half of 2015. During this negotiation, dialogue remained calm and communication was constructive, leading to signature of a unanimous agreement.

These events emphasised our commitment to encouraging dialogue and communication with social partners. Many subjects were analysed by

task forces or during negotiations in 2015, in particular GPEC (Jobs and Skills Management), disabled employees, work organisation, remuneration, company restaurant, the generation contract, temporary inter-site mobility of non-executives in France, etc. The various exchanges in 2015 also resulted in the signature of an agreement to donate days off to an employee whose child or spouse is seriously ill.

## MOBILISE AND REWARD TEAMS

### ■ CSR, A WAY TO GET EMPLOYEES INVOLVED

We are aware that CSR can be an important tool for encouraging the loyalty and commitment of employees. Mobilisation is still a major challenge for the Group as, given the cultural diversity of our different subsidiaries around the world and the different sensibilities in the different markets, the understanding of the subject of CSR and expectations vary massively. We therefore decided to leave it up to our subsidiaries to adopt our commitments and transpose them into actions that are tailored to the challenges of their markets. This approach is obviously not as quick to deploy but we feel that it anchors the subjects more firmly as they are taken on board by the teams better, and they are aligned more logically with the expectations of their markets. Here are some examples of this dynamic in 2015:

- Manitou Americas: acceleration of its involvement in the lives of local communities in the regions of the different production sites.
- Manitou Australia: mobilisation tool for its teams by creating shared moments and encounters, and for its dealer network through societal projects.
- Manitou Brazil: integration of operational projects (safety, waste management, etc.) from the creation of the subsidiary in order to optimise costs and processes.
- Manitou Asia: tool for mobilising its teams through a social project in its territory.

In 2015, a fold-out poster was distributed to all Group employees. Its objective was to explain each of the objectives and the actions of the Elevation plan and the implications of this for the Group's whole value chain.



To create a feeling of joint responsibility and emulation for the Elevation plan, each year we organise Elevation Days, a week of events on all of the sites during which the challenge is closed:



## ELEVATION DAYS

- A week of mobilisation within the Group.
- On the agenda: eco-driving, lunch meetings on the year's key projects, educational films, quizzes, breakfasts with a dietician, local producer stands, organic basket sales, launch of initiatives in the subsidiaries, etc.

## THE ELEVATION CHALLENGE

- **Objective:** reward and promote the best CSR projects and actions.
- **Open to:** all Group employees and its external stakeholders.
- **2 categories:** structuring projects and good practices.
- **3 Prizes** in each category: Bronze, Silver and Jury Prize.
- **Voting:** 50% employees, 50% Jury.

## SIMPLE ECO-FRIENDLY HABITS

All of the eco-friendly habits are available in poster form on the intranet in different languages: water, waste, energy, paper, etc.

- **The monthly HSE newsletter** is a chance to go over these good practices.
- **The "Origami" project** helped us to reduce printing by 12% in 2015 and 10% in 2014, i.e. more than 1.7 million copies in less than two years.



Manitou Italy



Manitou BF, Ancenis



**Delphine LAPORTERIE**, Human Resources

### ELEVATION DAYS 2015: WHAT DID YOU DO AT MANITOU AMERICAS?

"Many actions have been completed at Manitou Americas to promote and inform employees about the importance of CSR and its impact on our daily lives. Environmentally friendly, reusable bags with the Manitou logo on were distributed to all employees on Manitou's 4 sites in the USA. Similarly, during this week, each site organised a "Think Green, Wear Green" day to raise awareness of environmental issues. Everyone from office workers to production operators wore green to work. And lastly, interviews with leading players from the region, like the Director of the Chamber of Commerce, were organised to explain the significant impact of Manitou Americas within the community."



**The winners of the Elevation Challenge, selected from the 24 entries received in 2015:**

#### Category "good practices":

1. Jury Prize => Improvement of the wheel painting process by the introduction of a movable platform: for increased safety, quality and productivity and less impact on the environment (France)
2. Silver => Clothing drive for St Vincent de Paul in partnership with the dealerships (Australia)
3. Bronze => Reuse of engine packaging (Italy)
4. Bronze (tied) => Simplification of machine stickers for better quality and less scrap

#### Category "structuring projects":

1. Jury Prize => Commitment to keeping young people in education: support for students by volunteer employees (France)
2. Silver => Purchasing agreement signed with a supplier who intends to share gains on innovative and economically advantageous solutions with multiple benefits: economic, competitive, improved supplier relations, local economic footprint, carbon footprint, team loyalty, etc. (France)
3. Silver (tied) => Commitment to Habitat for Humanity for the construction of homes (USA)
4. Bronze => Promotion of literacy and IT skills in schools in Myanmar (Singapore)

## ■ PROMOTION OF TEAM AND INDIVIDUAL SUCCESSES

Recognition of employees is an essential aspect of commitment and motivation. Several practices have been adopted within the Group:

ENCOURAGE	PROMOTE	REWARD
<ul style="list-style-type: none"> <li>The “Spot Awards” at Manitou Americas honour employees who have demonstrated great commitment to their work. The beneficiaries must have been recognised by their colleagues as exemplary members of the team</li> </ul>	<ul style="list-style-type: none"> <li>Long service medals in France place value on length of service, experience and involvement of employees. Medals are awarded in a ceremony on each site.</li> </ul>	<ul style="list-style-type: none"> <li>We give awards to the year’s best projects. For 2015, six awards were given at Group level for the best teamwork, the best innovation, etc.</li> </ul>



### Focus: promotion of our expertise. At the heart of what we do, welding has its own experts committee.

After an interruption of more than 10 years, our “Welding Expertise” committee met in 2015 within the Telehandler PU in France. The aim of this committee is as follows: to protect, assert and continue to grow MANITOU’s expertise in the field of welding, internally and with regard to external partners (Suppliers, Customers, CETIM, etc.). This group includes people from many business lines (Methods, Production, Maintenance, R&D, BE, Purchasing and Quality) and meets every 2 months to study topics such as: regulatory watch, technological watch, training, knowledge sharing, design and definition of welds, management of hazards associated with welding, monitoring of welding processes, qualification of welders and robots, analysis of customer problems, etc.

(Employee Opinion Survey at international level): “Avançons ensemble”. This biennial survey, which will be launched for the first time in early 2016, will be an opportunity for our employees to talk about their jobs, their work environment and their vision of our Group. The results will enable us to measure the commitment of the teams and improve their professional experience.

A key indicator of company performance, the absenteeism rate is monitored regularly, particularly the rate attributable to illness, workplace accidents and occupational diseases. It was 3.55% in 2015.

## ■ ENCOURAGE COMMUNICATION

We also want to facilitate communication at different levels of the company and we are developing several solutions for this:



## ■ QUALITY OF LIFE AT WORK

We seek to provide new responses to the needs of our employees. It is with this in mind that remote working has been introduced. It reduces commuting time and therefore reduces the resulting stress and tiredness, and offers employees greater flexibility in how they organise their work. This practice helps to improve the work-life balance of our employees.

We can also make special arrangements regarding working hours for individuals who need it (voluntary part-time), if activity and schedule requirements and constraints allow.

In order to identify our strengths and areas for development, to improve people’s experiences at work, in 2015 we prepared the launch of the EOS



Sport conveys key values for our company, which is why we support our employees’ involvement every year, either individually or as a team, in the Triathlon de la Baule. These two days focus on effort, friendliness and personal achievement, and have been getting more and more employees of all nationalities involved over recent years (110 participants including 18 women and 5 nationalities in 2015).

## SUMMARY OF SOCIAL INDICATORS

The scope of social reporting covers all of the Manitou Group's subsidiaries for company information relating to the workforce. Only the companies Manitou BF and CFM for France, Manitou Americas for the USA and Manitou Italia (covering 87% of the workforce) have included in their CSR reporting scope

indicators linked to remuneration and safety training. Training, workplace accidents and absenteeism indicators only cover France and Italy (65% of the workforce) (please refer to the methodology note for more information on the scope relating to this indicator).

\*The France scope excludes LMH (33 employees)

			2013	2014	2015	Scope
Workforce as at 31/12	Total workforce	No.	3,242	3,307	3,214	Group
	Workforce with permanent contract	%	97.84%	98.46%	97.88%	Group
	Workforce with fixed-term contract	%	2.16%	1.54%	2.12%	Group
	Temps	No.	264	105	302	Group
	International volunteer programme	No.	9	6	2	Group
	Employees in international mobility	No.	7	17	18	Group
Distribution by geographical area	France	%	59.7%	56.4%	58.0%	Group
	Southern Europe (excluding France)	%	9.3%	9.2%	9.6%	Group
	Northern Europe	%	4.2%	4.1%	4.5%	Group
	Americas	%	22.0%	25.5%	22.6%	Group
	APAM	%	4.9%	4.9%	5.2%	Group
Distribution of workforce by age	<24 years old	%	3.2%	3.4%	2.6%	Group
	25-34 years old	%	24.0%	22.8%	20.4%	Group
	35-44 years old	%	36.3%	36.3%	37.9%	Group
	45-54 years old	%	23.6%	24.6%	25.6%	Group
	55-64 years old	%	12.2%	12.2%	12.6%	Group
	Over 65 years old	%	0.6%	0.8%	0.9%	Group
Distribution of workforce by length of service	<1 year	%	7.8%	6.4%	5.8%	Group
	1-4 years	%	26.3%	29.5%	26.1%	Group
	5-10 years	%	25.3%	22.6%	24.4%	Group
	10-20 years	%	25.2%	26.7%	28.7%	Group
	20-30 years	%	9.0%	9.1%	9.9%	Group
	Over 30 years	%	6.4%	5.7%	5.2%	Group
Movement of permanent workforce	Recruits with permanent contract	No.	311	408	265	Group
	Resignations	No.	154	194	212	Group
	Redundancies	No.	99	61	85	Group
	Other reasons (mutual agreement, retirement, death, etc.)	No.	48	73	78	Group
	Voluntary departure rate (resignations/average perm. workforce)	%	4.85%	6.01%	6.61%	Group
Distribution of workforce by status	Middle management	%	18.5%	19.1%	20.1%	Group
	Supervisors	%	2.3%	2.1%	2.1%	Group
	Employees, Technicians and Designers	%	32.3%	28.7%	30.3%	Group
	Workers	%	46.9%	50.1%	47.5%	Group
	Total	%	100.0%	100.0%	100.0%	Group
Distribution of female workforce by status	Middle management	%	21.80%	20.54%	21.1%	Group
	Supervisors	%	5.41%	5.88%	4.4%	Group
	Employees, Technicians and Designers	%	30.66%	32.59%	31.3%	Group
	Workers	%	7.43%	8.08%	8.1%	Group
	Total	%	17.55%	17.45%	17.7%	Group



			2013	2014	2015	Scope
Proportion of the workforce working in sensitive countries in terms of basic employment rights and corruption <sup>1</sup>		%	4.32%	4.51%	4.85%	Group
Absenteeism rate for accidents and illness (including occupational diseases)	Theoretical hours	No.	4,206,744	4,222,058	4,020,375	France* hors CFM, Italie
	Illness hours	No.	114,992	111,247	116,048	France* hors CFM, Italie
	Occ. disease and workplace accident hours	No.	15,511	25,676	26,566	France* hors CFM, Italie
	Absenteeism rate for illness	%	2.73%	2.63%	2.89%	France* hors CFM, Italie
	Absenteeism rate for accidents and occupational diseases	%	0.37%	0.61%	0.66%	France* hors CFM, Italie
	Absenteeism rate for accidents and illness (including occupational diseases)	%	3.10%	3.24%	3.55%	France* hors CFM, Italie
Frequency and severity rates of Manitou employees	Freq	No.	17.72	15.30	12.36	France*, Italie, USA
	Sev	No.	0.27	0.35	0.32	France*, Italie, USA
Frequency and severity rates of temps	Freq	No.	50.8	46.5	18.5	France*, Italie
	Sev	No.	0.58	0.36	0.15	France*, Italie
Disabled individuals		No.	69	68	71	France*, Italie
		%	3.15%	3.21%	3.39%	France*, Italie
Number of occupational diseases declared in the year		No.	12	16	8	France*, Italie
Training	Wage bill spent on training	€		2,076,180	1,925,676	France*, Italie
	Total wage bill	€		85,829,961	86,845,097	France*, Italie
	Wage bill spent on training	%		2.42%	2.22%	France*, Italie
	Employees who did at least one training course	No.			1,340	France*, Italie
	Training access rate	%			64.02%	France*, Italie
	Total number of training hours	No.	31,949	29,206	28,351	France*, Italie
	Average number of training hours per employee	No.	14.60	13.78	13.55	France*, Italie
Safety training	Number of hours devoted to safety	No.			4,286	France*, Italie
	Proportion of training hours spent on safety out of total training hours	%			15.12%	France*, Italie
	Number of hours devoted to safety	No.			6,835	France*, Italie, USA
Wage bill (not charged)	Total wage bill	€	117,404,891	122,558,399	123,157,289	France*, Italie, USA
	Change	%		4.4%	0.5%	France*, Italie, USA
	Change in workforce	%		1.9%	-4.9%	France*, Italie, USA

<sup>1</sup> Based on the World Bank and Transparency International list of the States most at risk of corruption, and the World Bank list of the States most at risk in terms of human rights (countries affected by the Group: Brazil, Russia, South Africa, China, India, United Arab Emirates, Malaysia)

## 4.6 METHODOLOGY NOTE: EXTRA-FINANCIAL INDICATORS

### ■ INTRODUCTION

Since 2012, the Manitou Group has adopted a structured CSR (Corporate Social Responsibility) strategy. Continuing on from the 2012-2015 CSR plan, the general management team has reasserted its commitment and has outlined 6 main CSR priorities for the period 2015-2018. These priorities are completely in line with the Group's roadmap.

In addition to regulatory compliance with Article 225 of the Grenelle 2 Law, the implementation of an annual extra-financial reporting system within the Manitou Group satisfies several objectives:

- manage the social, environmental and societal performance of the Group in conjunction with the action plan and,
- communicate transparently about the Group's main CSR challenges.

To this end, Manitou drew inspiration from the GRI (Global Reporting Initiative) guidelines.

### ■ CHOICE OF INDICATORS

The initial objective was to cover all of the 42 topics in Article 225 of the Grenelle 2 Law as exhaustively as possible by taking the Group's action plans into account.

While continuing to publish information on the 42 topics in Article 225 of the Grenelle 2 Law, the Group wishes to change some indicators in 2014 and 2015 to make them more relevant to its CSR challenges and its action plan.

### ■ SCOPE

Since the first reporting year in 2012, the Group has adopted reporting procedures and has implemented an appropriate organisation to collect the information to be published. However, the process to make collection of information reliable for a multinational must be spread over time to make the data communicated reliable. Thus, the scope of the information, initially limited to France, has gradually been extended. The Manitou Group is continuing this approach and is implementing all of the means to achieve the completeness of the scope. We are therefore committed to extending the scope every year to achieve the Manitou Group scope as quickly as possible and we will justify any exclusions. The 2015 changes concerned:

**For environmental indicators:** integration in 2015 of Manitou Italy (production site) which is added to the French scope (Manitou BF) – *except for the VOC, GHG and waste end-of-life indicators* – including 5 of the Group's 8 production sites (including the Group's most important industrial site) and the spare parts logistics centre. This new scope concerns in 2015 74% of the workforce, compared with 56% in 2014. The scope of each indicator is indicated on page 65.

**For social indicators:** a shift for workforce indicators (age, length of service, movements, status, female workforce by status) to Group scope in 2015. The companies Manitou BF and CFM for France, Manitou Americas for the USA and Manitou Italia (covering 87% of the workforce) have included in their CSR reporting scope indicators linked to remuneration and safety training. Training, workplace accidents and absenteeism indicators only cover France and Italy (65% of the workforce). The internal audit department performs audits (HR) for all of the subsidiaries. The scope of each indicator is given on page 66.

### ■ PROCEDURE

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

- a methodology guide, which helps to clarify how the reporting is organised (role and task), and to ensure the consistency of the procedures and definitions,

- two data collection tables for each topic (environment, social), which automatically display inconsistencies or entry errors,
- an internal inspection table for monitoring the approval procedure.

Each of the indicators is monitored every six months or every year and is reported by the subject managers in one of the three collection tools. The consistency (scope and definition of the indicator) is checked by the subject coordinators to whom the data is sent. Lastly, an internal inspector, independent of the procedure, is appointed to approve or challenge the indicators, by connecting them with the action plans deployed over the year, or by comparing them with source data.

In order to fulfil its regulatory obligations under Article 225 of the Grenelle 2 Law and its implementing decree of 24 April 2012, the Manitou Group appointed the firm Finexfi to certify the presence and truthfulness of the social, environmental and societal information published in its management report.

### ■ CLARIFICATIONS

#### Environmental indicators

"Equivalent truck MLT 735": as the site produces trucks of very different sizes and also masts, a conversion factor was attributed to each product depending on the weight of a reference truck. The reference truck corresponds to the MLT 735 truck in the agricultural range, which weighs 7.1 tonnes. This makes it easier to report on the diversity of the products for the indicators associated with waste, energy consumption, water consumption, paint consumption, VOC emissions, greenhouse gas emissions and the oil consumed per truck (equivalent).

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

A compliant measurement of an aqueous industrial discharge is a measurement whose result is below the limit value imposed by the regulations applicable to the production site. The sites affected by the discharges are those that have a purification station (Ancenis and Laillé in France, Castelfranco in Italy).

The European classification of waste is used to define which categories waste belongs to (SIW, OIW, recyclable OIW).

#### Waste end-of-life

- recycling or materials recovery: reprocessing of materials or substances contained in the waste using a production process so that they generate or are incorporated into new products, materials or substances. This includes the reprocessing of organic matter, but does not include energy recovery.
- reuse: direct use of waste, without any process being used to transform it. For example, a pallet can be reused.
- energy recovery: use of an energy source resulting from processing of waste.
- landfill: burial or underground storage.

#### Volatile Organic Compound (VOC) emissions

- emissions are evaluated by calculating a material balance, considering that everything that is not recovered, discharged into the water or present in the waste/the products stored is discharged into the atmosphere.
- the following solvent content coefficients were used to evaluate VOC emissions from paints and solvents:

	<b>Solvation coefficient</b>
Aqueous phase paint	0.09
Solvent phase paint (Polyurethane)	0.52
Solvent phase paint (Glycerophthalic)	0.65
Cleaning thinner, solvent	1

The total consumption distributed by the water system is calculated based on water bills.

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

Paint consumption is evaluated based on the quantities used over the year (quantities bought - stock variation).

The energy consumption considered is the electricity and gas consumption bought.

The greenhouse gas emissions of the production sites take into account direct emissions (fixed sources, mobile sources, fugitive emissions) and indirect emissions associated with electricity. The GHG sources are those defined by Article 75 of the Grenelle II Law.

### **Social indicators**

Employees: employees bound by an employment contract with Manitou or one of its companies (with the exception of unconsolidated companies). These are employees with permanent contracts and fixed-term contracts (including International volunteer programme) present as of 31 December 2015, whether they work full time or part time. Professional training or apprenticeship contracts, people on sabbatical, maternity or sick leave are counted in the workforce. Interns are not counted as employees. Expatriations and secondments are counted by the host country.

Group workforce: employees (described above) and temps employed by Manitou worldwide.

France workforce: employees employed by Manitou BF or CFM.

Italy workforce: employees employed by Manitou Italia.

USA workforce: employees employed by Manitou Americas.

Turnover: the turnover of employees with permanent contracts corresponds to voluntary departures (resignations) from the average permanent workforce.

Middle management: any employee whose job has been evaluated using the Global Grading System tool (Towers Watson methodology).

USA middle management: any employee with an ICT (Incentive Compensation Tool).

Employee: any employee who supports the production processes or supports other processes such as design or distribution.

Operator: any employee whose main activity is to contribute directly to the production process.

Recruitment: any signature of an employment contract, whether it be a fixed-term contract or a permanent contract, in the year in question. A recruitment is not counted when a fixed-term contract is renewed for the same reasons. Two recruitments are counted when two fixed-term contracts follow one another after a waiting period, if the reason for the contract changes, or when a person on a fixed-term contract is then recruited under a permanent contract. Mobilities are not considered as recruitments. Expatriations and secondments are not considered as recruitments.

Absenteeism through illness: the time off for illness that is considered are work stoppages approved by the relevant body in the country (CPAM in France). Time off associated with commuting accidents is counted as time

off for accidents. The number of theoretical hours worked corresponds to the number of hours actually worked (reported by payroll) plus the number of days off through illness (including paid leave days) multiplied by the number of hours worked each day. The period used for this indicator is from the 20th to the 20th of each month. Absenteeism through illness concerns Manitou BF excluding CFM and Manitou Italy. Paid leave is included in the hours absent as it is an operational control indicator.

Workplace accidents: commuting accidents are counted as workplace accidents. The frequency is the number of accidents with time off \* 1,000,000 / actual number of hours worked. The severity is the number of days off \* 1,000 / actual number of hours worked. We count occupational diseases separately. If the same employee suffers from two different occupational diseases, it counts as two illnesses.

Training: the volume of hours of training between 01/01 and 31/12 of each year is taken into account for employees (permanent and fixed-term contracts), whether the training is done in-house or externally, whether the worker is approved or not. The DIF (individual training entitlement) is included in the training hours. Only training with an attendance sheet or certificate is taken into account for this indicator. Actual training hours are counted. Training that extends over two years is pro rated based on the hours done each year. Health and safety training covers, for example, CACES, transport of hazardous materials and explosive atmosphere training, etc. It includes in-house training.

Training effort: training costs concern the salary costs of the trainees, the teaching costs, potential equipment/organisation costs, potential transport and logistics costs, the salary costs of the in-house trainers, the mandatory contributions (e.g. OPCAIM, Fongecif) deducted from subsidies.

A person is considered to have a disability if this disability is recognised by a body or an institution under the conditions established by current legislation.

## **■ CONTINUOUS IMPROVEMENT**

In order to gradually incorporate all of the subsidiaries, all of the collection procedures and tools have been translated into English. Lastly, in order to manage the CSR approach as a whole, indicators may be improved to better report on the progress of action plans and better reflect reality within the Group on the various topics.

## ■ ENVIRONMENT INDICATORS

	Grenelle 2	GRI reference Version 4	Collection frequency	Scope
<b>GENERAL POLICY</b>				
Organisation	p. 36-37		Annual	group
Training/information actions	p. 45		Annual	group
Environmental management system of production sites <i>Indicator: Proportion of TO generated by ISO 14001 certified sites</i>	p. 45		Annual	group
Amounts of provisions and guarantees for environmental hazards Since 2013, the company has had a specific “environmental impact” policy the aim of which is to guarantee against damage to the environment attributable to its activities (France and Italy)				
<b>POLLUTION AND WASTE MANAGEMENT</b>				
<i>Measures to prevent, reduce or repair discharges</i> <i>Indicators: Compliance rate of aqueous industrial waste</i>	p. 49	EN22	Monthly	Manitou BF, Manitou Italy
<i>Prevention, recycling and waste disposal measures</i> <i>Indicators: Quantities of industrial waste generated by equivalent truck MLT735 produced; Recycling rates for each type of industrial waste (OIW and SIW) and for end of life (reuse, material recovery, energy recovery, landfill)</i>	p. 48-49	EN23	Quarterly (annual for recycling rates)	Manitou BF, Manitou Italy Manitou BF
<i>Consideration of any form of pollution</i> <i>Indicator: VOC emissions by equivalent truck MLT735 produced</i>	p. 49	EN21	Annual	Manitou BF
<b>SUSTAINABLE USE OF RESOURCES</b>				
Energy consumption and measures taken to improve energy efficiency and emissions into the atmosphere	p. 41-44 p. 46-47 p. 49	EN3 EN26	Annual	Manitou BF, Manitou Italy
<i>Water consumption and procurement depending on local constraints</i> <i>We are not subjected to local constraints in terms of procurement</i> <i>Indicators: Total water consumption</i> <i>Industrial water consumption by equivalent truck MLT735 produced</i>	p. 49	EN8	Annual	Manitou BF, Manitou Italy
<i>Consumption of raw materials and measures taken to improve efficiency in their use</i> <i>Indicators: Volume of paint used by equivalent truck MLT735 produced, Oil consumed by equivalent truck MLT735 produced</i>	p. 49	EN1	Annual	Manitou BF, Manitou Italy
<i>Energy consumption</i> <i>Indicators: Distribution of direct consumption by primary energy source (electricity, gas), Energy consumption by equivalent truck MLT735 produced</i> <i>Furthermore, the Group does not use renewable energies.</i>	p. 46-47 p. 49	EN3	Monthly	Manitou BF, Manitou Italy
Use of land: this topic has not been identified as priority in light of our activity (no sealing problem).				
<b>CLIMATE CHANGE</b>				
<i>Discharge of greenhouse gases</i> <i>Indicators: GHG emissions of the production site by equivalent truck MLT735 produced</i>	p. 49	EN15	Annual	Manitou BF
Adaptation to the consequences of climate change: we have not identified any major risks linked to flooding or other risks generated by climate change for our activity and the scope in question. During evaluation of the priority CSR challenges, this topic was not identified as a priority with regard to our activity.				
<b>PROTECTION OF BIODIVERSITY</b>				
Measures taken to protect or develop biodiversity	p. 48	EN12 EN13	Annual	Manitou BF, Manitou Italy

**KEY:**

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



## ■ SOCIAL INDICATORS

	Grenelle 2	GRI reference Version 4	Collection frequency	Scope
<b>EMPLOYMENT</b>				
Total workforce and distribution of employees <i>Indicators: workforce by gender, age, contract, status and geographical area</i>	p 61	LA1 LA13	Annual	Group workforce
Workforce movements <i>Indicators: Recruitments and departures (resignations, redundancies, retirements, deaths, mutual agreements, end of fixed-term contracts, end of trial periods)</i>	p 61		Annual	Group workforce
Staff turnover <i>Indicator: resignation / average permanent workforce</i>	p 61	LA1	Annual	Group workforce
Remuneration and its development <i>Indicator: Total wage bill and its development</i>	p 62		Annual	France*, Italy, USA
<b>WORK ORGANISATION</b>				
Organisation of working hours	p 60		Annual	France*, Italy, USA
Absenteeism <i>Indicators: Absenteeism rate for illness and accident</i>	p 62		Annual	France* excluding CFM, Italy
<b>LABOUR RELATIONS</b>				
Organisation of social dialogue	p. 58		Annual	France* and Italy
Review of collective agreements	p. 58		Annual	France and Italy
<b>HEALTH AND SAFETY</b>				
Health and safety conditions at work <i>Indicators: Number of hours devoted to safety</i>	p 62		Annual	France* and Italy
Proportion of training hours devoted to safety	p 62	LA8	Annual	France* and Italy
Workplace accidents <i>Indicators: Frequency and severity Frequency and severity rates for temps Number of occupational diseases declared in the year</i>	p 62	LA6-7	Annual	France*, Italy, USA France*, Italy France*, Italy
<b>TRAINING</b>				
Training policy implemented	p. 56-57	LA10	Annual	France*, Italy, USA
Training hours <i>Indicator: Average number of training hours per employee Employees who did at least one training course</i>	p 62	LA9	Annual	France* and Italy
Training effort <i>Indicator: Training costs / wage bill</i>	p 62		Annual	France* and Italy France* and Italy
<b>EQUAL TREATMENT</b>				
Measures taken to encourage gender equality <i>Indicator: Proportion of women in middle management and amongst operators</i>	p 61	LA12	Annual	France*, Italy, USA
Measures taken to support employment and insertion of disabled people <i>Indicator: Proportion of workforce with a disability</i>	p 62	LA12	Annual	France* and Italy
Policy to combat discrimination: we have prioritised the following subjects: gender equality in the workplace and the insertion of people with a disability. In 2015, we will conduct a generation contract diagnosis.				

\*The scope excludes LMH (33 employees)

### KEY:

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

## ■ SOCIETAL INDICATORS

	Grenelle 2	GRI reference Version 4	Collection frequency	Scope
<b>REGIONAL, ECONOMIC AND LOCAL IMPACT</b>				
In terms of employment and regional development	p 53-55		Annual	Workforce in France, Italy, USA
On neighbouring and local populations	p 53-54		Annual	Workforce in France, Italy, USA
<b>RELATIONS WITH PEOPLE OR ORGANISATIONS INTERESTED IN THE COMPANY'S ACTIVITY</b>				
Conditions for dialogue with these people or organisations	p 54-55		Annual	Workforce in France, Italy, USA
Partnership or sponsorship actions	p 54-55		Annual	Workforce in France, Italy, USA
<b>SUBCONTRACTING AND SUPPLIERS</b>				
Consideration in the purchasing policy of social and environmental issues	p. 53-54		Annual	MHA et S&S divisions
Importance of subcontracting and consideration in supplier and subcontractor relations of their social and environmental responsibility	p. 53-54		Annual	France workforce
<b>FAIR PRACTICES</b>				
Action taken to prevent corruption	p. 36		Annual	Workforce in France, Italy, USA
Measures taken in favour of consumer health and safety	p. 50-51		Annual	Workforce in France, Italy, USA
Other action taken in favour of human rights	p. 36		Annual	Workforce in France, Italy, USA

**KEY:**

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

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

## FINANCIAL YEAR ENDING 31 DECEMBER 2015

To the shareholders,

Further to the request from the company Manitou BF, and in our capacity as an independent, third-party body, accredited by COFRAC under No. 3 1081 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby present our report on the consolidated social, environmental and societal information in the management report established for the year ending 31 December 2015 pursuant to the provisions of Article L.225-102-1 of the French Commercial Code (*Code du commerce*).

## ■ MANAGEMENT RESPONSIBILITY

It is the responsibility of the Board of Directors to produce a management report that includes the consolidated social, environmental and societal information referred to in Article L.225-105-1 of the French Commercial Code (*Code du commerce*) (hereinafter the "Information"), established in accordance with the reference bases used (the "Reference Bases") by the company and available upon request from the head office of Manitou BF.

## ■ INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory texts, the professional code of ethics and the provisions laid down in Article L. 822-11 of the French Commercial Code (*Code du commerce*). Furthermore, we have put in place a quality control system that includes documented policies and procedures designed to ensure compliance with the rules of conduct, the professional standards and the applicable legal and regulatory texts.

## ■ RESPONSIBILITY OF THE INDEPENDENT, THIRD PARTY ORGANIZATION

It is our responsibility, based on our work:

- to certify that the required Information is present in the management report or that, in the event of omission, an explanation is given pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (*Code du commerce*) and Decree No. 2012-557 of 24 April 2012 (declaration of presence)
- to express a conclusion of limited assurance regarding the fact that the Information is presented, in all material aspects, in an honest manner in accordance with the chosen reference base (Auditor's report)

### DECLARATION OF PRESENCE

We have carried out the work in accordance with the professional standards applicable in France:

- we have compared the Information presented in the management report against the list given in Article R. 225-105-1 of the French Commercial Code (*Code du commerce*)
- we have checked that the Information covered the scope of consolidation, namely the Company and its subsidiaries as defined in Article L. 233-1 and the companies it controls as defined in Article L. 233 3 of the French Commercial Code (*Code du commerce*)
- in the event of certain consolidated information being missing, we have checked that explanations were provided in accordance with the provisions of Decree No. 2012-557 of 24 April 2012

Based on this work, we hereby certify the presence in the management report of the Information required.

## REASONED OPINION REGARDING THE INTEGRITY OF THE CSR INFORMATION

### *Nature and scope of the work*

Our work was carried out over a period of approximately 17 days between 5 January 2016 and 18 February 2016.

We performed the work in accordance with the standards applicable in France, standard ISAE 3000 and the Order of 13 May 2013 determining the conditions under which the independent, third-party body carries out its assignment.

We conducted eleven interviews with the individuals responsible for preparing the CSR information from the Departments responsible for the collection process and, where appropriate, the people responsible for the internal audit and risk management procedures, in order to:

- evaluate the appropriateness of the reference base in terms of the Information's relevance, completeness, neutrality, comprehensibility and reliability, taking into consideration, where appropriate, the good practices in the sector.
- check the implementation within the Group of a process for collecting, compiling, processing and checking to ensure the completeness and consistency of the CSR Information. We took note of the internal audit and risk management procedures relating to production of the CSR Information.

We identified the consolidated information to be tested and determined the nature and the scope of the tests, taking into consideration their importance in light of the social, societal and environmental consequences of the Group's activity and its characteristics, its positioning with regard to CSR and good sector practices.

For the CSR information we considered to be most important for the consolidating entity:

- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.)
- we implemented analytical procedures for the quantitative information and checked, based on surveys, the calculations and the consolidation of the data;
- we implemented detailed tests based on sampling, which involved checking the calculations done and looking closely at the data from the documentary evidence, and we checked that it tallied with the other information in the management report.

For the other CSR consolidated information, we evaluated its consistency with our knowledge of the company.

Lastly, we evaluated the relevance of the explanations relating, where appropriate, to the total or partial absence of certain information.

We consider that the sampling methods and sample sizes we chose based on our professional judgement enable us to formulate a limited assurance conclusion. A higher level of assurance would have called for more extensive checking work.

Our work covered more than 50% of the consolidated value of the key indicators relating to the social section and more than 50% of the consolidated value of the key indicators relating to the environmental section.

Because of the use of sampling techniques and the other limitations inherent in the operation of any information and internal audit system, the risk of a significant anomaly in the CSR information not being detected cannot be completely eliminated.

### **Remarks on the information**

We checked that the CSR Information covered the scope of consolidation, namely the company and its subsidiaries as defined in Article L. 233-1 and the companies it controls as defined in Article L.233 3 of the French Commercial Code (*Code du commerce*) with the limitations indicated in the methodology note presented in paragraph 4.6 "Methodology note: extra-financial indicators" of the management report.

## ■ CONCLUSION

Based on our work, and within the limits of the scope mentioned above, we did not find any significant anomalies that might call into question the fact that the Information is presented, in all material aspects, in an honest manner in accordance with the reference base.

Lyon, 30/03/2016

FINEXFI

**Isabelle Lhoste**

Partner





# 5.

## CORPORATE GOVERNANCE

### 5.1

GOVERNANCE  
IN 2015

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### 5.5

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## 5.1 GOVERNANCE IN 2015

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 organization 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 specializing 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 2015

No changes in governance took place in 2015.

## 5.1.1 THE ACTIVITIES OF THE BOARD OF DIRECTORS AND SPECIALIZED COMMITTEES

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

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



## 5.1.2 MANITOU BF'S BOARD OF DIRECTORS

At the date of publication

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

### Make-up 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 2015

### 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:

- 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 four years as a Board member, Vice-chairperson of the Board 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, Chairman of Ets Marcel Braud from 1986 to 2000, Chief Executive of SFERT from 1984 to 2009 and Chairperson and Chief Executive 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 since 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:

- Manager 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 of SFERT SA (France) from 2009 to 2011

Other offices held in companies independent of the group:

- Manager of Tamecna since 2011

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

- Manager of Coliphin until 2011
- Manager of H2O Capital until 2011
- Manager of Trinity Capital until 2011
- Manager of Sonafin until 2011
- Manager 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 four years.**

Nationality: British

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

Experience and management expertise:

- Former Managing director 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 Ltd (UK) since June 1999
- Alternate member of the Development committee

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:

- Director at SFERT SA, France until 2011

Other offices held in companies independent of the group:

- Manager of Menskin SARL (France) since October 8, 2012
- Chairman and CEO of SAEMIA SA (France) from 1990 to 2014
- Manager 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 four 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 dealership), 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
- Alternate member of the Development committee

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

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## CHRISTOPHER HIMSWORTH

### Member of the Board of directors

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

---

## MARCEL-CLAUDE BRAUD

### Member of the Board of directors since June 28, 2013

Nationality: French

Business Address: 430, rue de l'Aubinière – BP10249 – 44158 Ancenis – France

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 offices held at companies related to the group:

- Co-Managing director of HB-Holding Braud (France) since 1997

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

- Representative of HB-Holding Braud to the Board of SFERT SA (France) until 2011

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

- Director of Ligérien's Yachting (France) until 2015

---

## DOMINIQUE BAMAS

### Member of the Board of directors since 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: 25 rue Michel Ange – 75016 Paris

Experience and management expertise:

- A graduate of Audencia Nantes and chartered 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 of the agrochemicals division and then general manager of the Axereal group until 2011. Since then, he has managed a firm specialized in accounting, auditing, consulting and corporate mediation.

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 Audit Committee from 2011 to March 6, 2013
- Chairman of the Board of Directors of Manitou Americas
- Board member of Manitou Finance Ltd (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 Avril Pole Végétal group since May 2014
- President of Upsides Dirigeant Conseil (SAS) since November 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 four years.**

Nationality: French

Business Address: 5 place des Ternes – 75017 Paris

Experience and management expertise:

- Corporate Secretary EADS (2000-2003), Director merger & acquisitions EADS (2003-2006), Founder and Managing director of the Pragma consulting firm (since 2007).

Other offices currently held (Manitou group):

- Alternate member of the Strategic 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 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
- Member of Recaero SA Supervisory board since June 29, 2015

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
- Manager at Fortum France SNC since June 2011 until December 2013
- Board member of Recaero SA from May 2011 to 2013 and “Censeur” from 2013 until November 29, 2014

## AGNÈS MICHEL-SÉGALEN

**Independent member of the Board of directors**

**Board member since April 2013. Appointed in June 2013 for a period of four 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 Chief Financial Officer and merger & acquisitions manager at EADS and the Sodexo Group. Graduate Notary.

Other offices currently held (Manitou group):

- Member of the Audit committee since June 2013

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

- Member of the Audit committee from April to 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, Marcel-Claude Braud, 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.

#### **Expiration 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 Herve 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 ASSESSMENT OF THE BOARD OF DIRECTORS AND THE SPECIALISED COMMITTEES**

The board performed an internal assessment of its operation in 2014. 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 analyzed and summarized by an independent Board member, identifying strengths and weaknesses as well as areas for improvement.

## 5.1.5 EXECUTIVE MANAGEMENT

### MICHEL DENIS

#### President & 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:

- A 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 Managing Director until August 2013. During those 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):

- Board member of Manitou Americas (USA)
- Board member of Manitou Finance Ltd (UK) (United Kingdom)
- Chairman of Manitou Italia (Italy)
- President of Cobra MS (France)
- Vice-Chairman of HMME (China)
- Board member of Manitou Brasil
- Manitou BF Representative President of LMH Solutions
- Manitou BF Representative President of CFM

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

- None

Other offices 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:

- Member of the Executive Board – General manager of FTI until the end of April 2013
- Chairman of the Board of directors and Board member of Fraikin France until the end of June 2013
- President of Fraikin locatime until the end of July 2010
- Board member at Fraikin 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

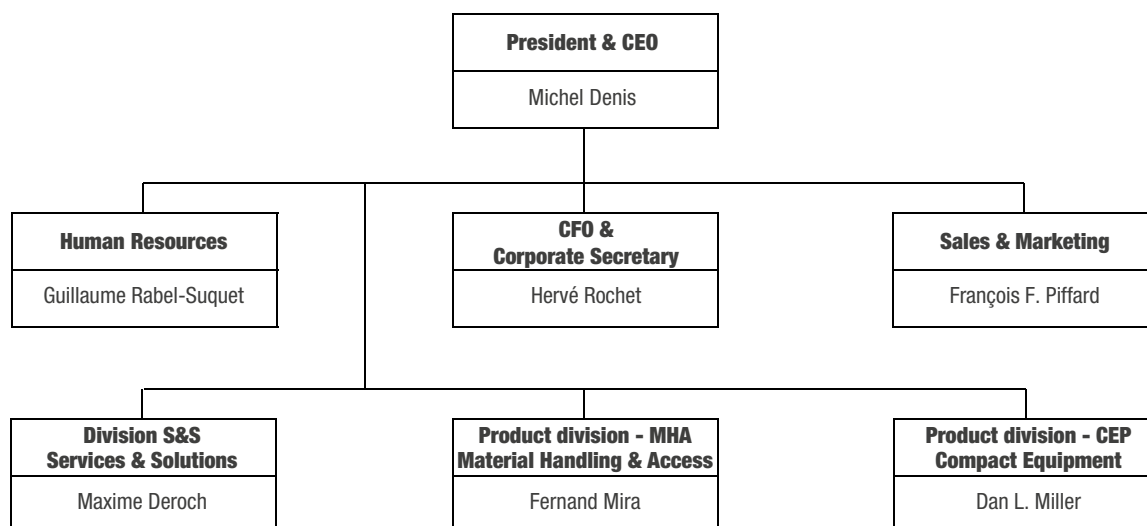
### THE GROUP'S EXECUTIVE COMMITTEE (7 MEMBERS)

The Executive Committee is composed of 7 members: The 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.

#### ■ GROUP ORGANISATIONAL CHART AT MARCH 2, 2016



## 5.3 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: comprehensiveness, balance, benchmark, consistency, readability, measurement and transparency.

**Table 1: Summary of compensation, stock options and shares granted to each executive corporate officer**

*In euros*

<b>Marcel Braud</b> <i>Chairman of the Board of directors</i>	<b>2014</b>	<b>2015</b>
Compensation due for the period (see details in table 2)	182,112	173,664
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)		
<b>Total</b>	<b>182,112</b>	<b>173,664</b>

*In euros*

<b>Michel Denis</b> <i>Chief Executive Officer since January 13, 2014</i>	<b>2014</b>	<b>2015</b>
Compensation due for the period (see details in table 2)	635,680	695 422
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)		
<b>Total</b>	<b>635,680</b>	<b>695,422</b>

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

<i>In euros</i>		<b>2014</b>		<b>2015</b>	
<b>Marcel Braud</b>	Amounts due	Amounts paid	Amounts due	Amounts paid	
<i>Chairman of the Board of directors</i>					
- Compensation as Chairman of the Board of directors (in accordance with article L225-47)	141,138	141,138	143,664	143,664	
- Attendance fees	39,000	34,500	30,000	39,000	
- Benefits in kind	1,974	1,974			
<b>Total</b>	<b>182,112</b>	<b>177,612</b>	<b>173,664</b>	<b>182,664</b>	

<i>In euros</i>		<b>2014</b>		<b>2015</b>	
<b>Michel Denis</b>	Amounts due	Amounts paid	Amounts due	Amounts paid	
<i>President &amp; Chief Executive Officer</i>					
- Mandate (fixed compensation)	339,781	339,781	350,400	350,400	
- Attendance fees					
- Variable compensation	286,001		326,480	286,001	
- Benefits in kind	9,898	11,057	18,105	18,105	
Social security and reintegration			437	437	
<b>Total</b>	<b>635,680</b>	<b>350,838</b>	<b>695,422</b>	<b>654,943</b>	

## 5.3.2 COMPENSATION OF EXECUTIVES AND CORPORATE OFFICERS

Table 3: Table of attendance fees and other compensation received by Board members

<i>Board members</i>		<b>Paid in 2014 Related to 2013</b>	<b>Paid in 2014 Related to 2014</b>	<b>Paid in 2015 Related to 2014</b>	<b>Paid in 2015 Related to 2015</b>
Marcel Braud	Attendance fees Manitou BF	16,500	18,000	21,000	18,000
	Compensation Manitou BF		143,112		143,664
	Other compensation				
Jacqueline Himsworth	Attendance fees Manitou BF		105,000		105,000
	Compensation Manitou BF				
	Other compensation				
Gordon Himsworth	Attendance fees Manitou BF	9,750	23,400	15,600	23,400
	Other compensation				
Sébastien Braud	Attendance fees Manitou BF	12,750	23,400	18,600	23,400
	Other compensation				
Joël Goulet	Attendance fees Manitou BF	18,000	12,000		
	Other compensation				
Serge Ghysdael	Attendance fees Manitou BF				
	Other compensation				
Dominique Bamas	Attendance fees Manitou BF		18,000	9,000	28,800
	Other compensation				
Christopher Himsworth	Attendance fees Manitou BF	15,750	23,400	15,600	23,400
	Other compensation				
Pierre-Henri Ricaud	Attendance fees Manitou BF	19,500	32,400	21,600	32,400
	Other compensation				
Marcel-Claude Braud	Attendance fees Manitou BF	12,000	25,200	13,800	23,400
	Other compensation				
Agnès Michel-Ségalen	Attendance fees Manitou BF	15,000	32,400	21,600	32,400
	Other compensation				
<b>TOTAL</b>		<b>119,250</b>	<b>456,312</b>	<b>136,800</b>	<b>453,864</b>
Total Manitou BF only		119,250	456,312	136,800	453,864
Of which, attendance fees		119,250	313,200	136,800	310,200
Of which, compensation			143,112		143,664

As of 2010, the settlement of fees has been 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
<b>NONE</b>						

**Table 5: Subscription or purchase options exercised during the year by each executive corporate officer**

Options exercised by corporate officers	N° and date of plan	Number of options exercised during the period	Exercise price
<b>NONE</b>			

**Table 6: Performance shares granted to each executive officer**

Performance shares granted to each 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
<b>NONE</b>					

**Table 7: Performance shares which became available for each corporate officer**

Performance shares which became available for each executive corporate officer	N° and date of plan	Number of shares which became available during the period	Purchase conditions
<b>NONE</b>			

## ■ 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 expired: 2017	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 as of 31/12/2017		X		X	X		X	

## ■ COMPENSATION OF MICHEL DENIS

### SPECIFIC COMPONENTS

- The Board of directors meeting dated January 8, 2014 granted Michel Denis, annual variable 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 have been quantified 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 was 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 appended the appointment of Michel Denis to the functions of President & Chief Executive Officer with a non-competitive clause for the 12 month period following the end of his mandate.

## 5.4 AUDITORS

### 5.4.1 STATUTORY AUDITORS

**Deloitte & Associates**, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Thierry de Gennes, partner,

1, rue Benjamin Franklin – 44801 Cedex 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 Auditors of Versailles,

195 avenue Charles de Gaulle – 92000 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 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 2015 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 23 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.

<b>6.1</b> GENERAL INFORMATION CONCERNING THE ISSUER	<b>P. 84</b>
<b>6.2</b> INFORMATION ON THE SHARE CAPITAL	<b>P. 85</b>
<b>6.3</b> PUBLICALLY AVAILABLE DOCUMENTS	<b>P. 89</b>
<b>6.4</b> MANITOU'S SHARES	<b>P. 89</b>



# 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, 2015, the share capital amounted to 39,551,949 euros, broken down into 39,551,949 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

Following an exercise of stock options in 2015, the share capital increased by 3,000 euros and therefore increased from 30,548,949 to 39,551,949 euros.

#### ■ 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
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 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 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 the preferential subscription rights of shareholders and 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 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 the preferential subscription rights of shareholders and 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 decide to increase the share capital by way of the capitalization of premiums, reserves, earnings or other, limited 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 and 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 some of them and officers among them limited to a ceiling of 2% of total share capital at the date of the Board of directors' decision.	38 months	Unused

Date	Type	Subject	Validity period	Use made of this authority during the year
09.06.2015	Delegation of authority	Authorization for the Board of Directors to carry out transactions in shares of the company: purchase shares or request purchases of shares of the company within the limit of 10% of the share capital of the company or, as a reference, at December 31, 2014, 3,954,894 shares and an authorized global amount not exceeding 100 million euros.	18 months	Unused
09.06.2015	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, 2014.	18 months	Unused
09.06.2015	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 limited to a global ceiling of 8 million euros.	26 months	Unused
09.06.2015	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 shareholders and limited to a global nominal ceiling of 8 million euros.	26 months	Unused
09.06.2015	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 shareholders and limited to 20% of share capital per year and set to a global nominal ceiling of 8 million euros.	26 months	Unused
09.06.2015	Delegation of authority	Delegation of authority to the Board of directors to decide to increase the share capital by way of the capitalization of premiums, reserves, earnings or other set to a global nominal ceiling of 8 million euros.	26 months	Unused
09.06.2015	Delegation of authority	To potentially issue shares or securities providing access to the company's 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, or, as a reference, at December 31, 2014, a ceiling of 3,954,894 shares amounting to a global nominal ceiling of 8 million euros.	26 months	Unused
09.06.2015	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 some of them and officers among them limited 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, 2015

	% of capital			% of voting rights		
	2013	2014	2015	2013	2014	2015
Braud and Himsworth Families	65.4%	65.4%	65.4%	66.0%	65.9%	65.9%
Braud family branch (1)	32.2%	32.2%	32.2%	32.4%	32.4%	32.4%
HB Braud	22.1%	22.1%	22.1%	22.3%	22.3%	22.3%
Other	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
Himsworth family branch (2)	33.3%	33.3%	33.3%	33.5%	33.5%	33.5%
Ancemat (3)	6.2%	6.2%	6.2%	6.3%	6.3%	6.3%
Wecanrent (3)	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Coliphin Invest (3)	5.3%	5.3%	5.3%	5.4%	5.4%	5.4%
Trinity Group (3)	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Sonafina (3)	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Other	6.1%	6.1%	6.1%	6.2%	6.2%	6.2%
Yanmar	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
Toyota	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%
Treasury shares	0.8%	0.8%	0.8%			
Employee share ownership	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Other	23.8%	23.9%	23.9%	24.0%	24.1%	24.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Floating	34.6%	34.6%	34.6%	34.9%	34.8%	34.8%

(1) The Braud family branch consists of: Marcel Braud, Lilianne Braud- Orhon, Marcel-Claude Braud, Sebastien Braud, Emilie Braud-Fischel, Valerie Braud-Walsh and the company HB Holding Braud.

(2) The Himsworth family branch consists of: Jacqueline Himsworth, Gordon Himsworth, Dominique Himsworth, Virginie Himsworth, Christopher Himsworth, David Himsworth, and the company Ancemat.

(3) Companies owned by Himsworth family members.

The Shareholders' Meeting dated June 9, 2015 decided, in accordance with the option provided by paragraph 3 of Article L. 225-123 of the French Commercial Code as amended by law n° 2014-384 dated March 29, 2014 to not confer double voting rights.

Consequently, a third subparagraph has been added to article 9 of the by-laws entitled "rights and obligations associated with shares":

"Each share provides the right to one vote at Shareholders' Meetings. In accordance with the procedure provided by subparagraph 3 of article L. 225-123 of the French commercial code, fully paid shares which are registered in the name of the shareholder for at least two years shall not benefit from double voting rights."

The remainder of article 9 of the by-laws remains unchanged.

## 6.2.3 HOLDINGS AND CONTROL

Manitou is controlled by the Braud and Himsworth families who together hold 65.4% 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 Chief

executive officer are separated from those of the Chairman of the Board of directors and have been performed by Michel Denis, who is independent of the Braud and Himsworth families, since January 13, 2014.

## 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 favor of members of the agreement on sales of shares having the effect of decreasing the investment of either family branch below 20% of Manitou's capital or of decreasing the entire investment of the two family branches below 40% of the company's capital, it being specified that the members of the selling family have preference for the purchase of shares sold;

- The governance of Manitou shall continue to be provided by nine directors, three directors appointed at the discretion of each of the family branches (for a total of six directors) and three independent directors 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 32.2% 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 32.2% of share capital and voting rights	Minimum of two years from the registration of the commitments, automatically renewed for a period of 12 months by tacit agreement	Braud family branch

\* The Braud family branch is composed of: Marcel Braud, Lilianne Braud-Orhon, Marcel-Claude Braud, Sebastien Braud, Emilie Braud-Fischel, Valerie Braud-Walsh, and the company HB Holding Braud.

## 6.2.5 THE EXISTENCE OF AGREEMENTS FOR WHICH THE IMPLEMENTATION COULD RESULT IN A CHANGE IN CONTROL

None

## 6.2.6 OWNERSHIP THRESHOLDS

Under article L. 233-7 of the French commercial code, any person or entity, acting alone or with others, who has just obtained a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of share capital and voting rights of the company, must inform the company and the French market authority, the AMF, with a letter indicating the total number of shares and voting rights held within five trading days of crossing the threshold. Threshold crossings reported to the AMF are publically disclosed by the AMF. This information is also transmitted within the same time frame and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If not declared according to regulations, the shares exceeding the fraction that should have been declared in accordance with the legal provisions mentioned above are denied voting rights at any Shareholders' Meeting held up to the completion of two years following the date of the correcting declaration.

Article 9 of Manitou's corporate by-laws further provides that any person or entity that, either directly or indirectly and either alone or with others, crosses (either upwards or downwards), the threshold of 2.5% of the capital or voting rights of the company (or any multiple of that threshold) must notify the company by registered letter with confirmation of receipt, within fifteen days of crossing that threshold, specifying their identity as well as the persons acting together with them. This requirement also applies to the holder of shares in accordance with the seventh paragraph of article L. 228-1 of the French Commercial code, for all shares for which he is registered to the account.

In case of non-compliance with the requirement to disclose statutory thresholds, the sanctions provided for in article L. 233-14 of the French Commercial code shall apply, provided that such request, submitted by one or more shareholders holding at least 3% of the capital or voting rights is recorded in the minutes of the Shareholders' Meeting.

## 6.2.7 DIVIDEND DISTRIBUTION POLICY

The Board will propose a dividend payment of €0.36 per share to the Shareholders' Meeting called to approve the 2015 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
2012	39,548,949	€0.45
2013	39,548,949	0
2014	39,548,949	€0.35

## 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 2012, 2013 and 2014.

## 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.

The group has also launched legal proceedings and arbitration against thirds parties which could have a material favorable 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](http://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's shares have been listed since April 1984.

The Manitou share is listed on compartment B of the Euronext Paris stock exchange.

### ■ SHARE CODES AND TICKERS

ISIN code: FR0000038606  
MNO: MTU  
Reuters code: MANP.PA  
BLOOMBERG code: MTU.FP

#### Indices

CAC ALL SHARE  
CAC ALL-TRADABLE  
CAC IND. ENGIN.  
CAC INDUSTRIALS  
CAC MID & SMALL  
CAC SMALL  
ENTERNEXT PEA-PME 150

Eligibility of Manitou shares for the OSRD (Stock exchange orders with Deferred Settlement Service) long only.

Eligibility of the Manitou shares for PEA-PME.

### ■ SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Period	Volume	Highest €	Lowest €	Month-end	Market capitalization (in millions of euros)
<b>January 2014</b>	531,618	14.1	12.4	13.0	514
February	210,099	13.2	12.7	13.0	514
March	516,111	13.0	11.6	12.5	494
April	262,382	14.0	11.9	13.6	539
May	127,287	13.8	12.2	13.0	514
June	232,768	13.3	12.0	12.0	475
July	157,554	13.3	11.5	12.5	494
August	177,060	13.3	11.6	13.1	516
September	161,929	13.7	12.5	12.5	495
October	243,712	12.5	10.5	11.1	439
November	135,458	12.1	11.1	12.0	473
December 2014	372,148	13.7	11.5	12.2	482
<b>Total - Highest/Lowest</b>	<b>3,128,126</b>	<b>14.1</b>	<b>10.5</b>		

Period	Volume	Highest €	Lowest €	Month-end	Market capitalization (in millions of euros)
<b>January 2015</b>	213,081	13.6	12.1	13.0	513
February	157,602	13.6	12.6	13.5	534
March	613,164	15.9	13.5	15.5	612
April	727,483	18.2	15.1	17.3	683
May	154,187	18.0	16.6	16.8	662
June	184,312	18.2	15.5	17.0	673
July	373,973	19.5	16.5	17.7	699
August	174,941	17.8	15.2	17.2	680
September	205,086	17.4	14.5	15.0	592
October	380,295	15.9	12.6	12.6	498
November	148,706	14.2	12.6	14.2	562
December 2015	140,297	14.8	13.4	14.1	558
<b>Total - Highest/Lowest</b>	<b>3,473,127</b>	<b>19.5</b>	<b>12.1</b>		

Source : Euronext



# 7.

## ADDITIONAL INFORMATION

### 7.1

CHAIRMAN'S REPORT  
IN APPLICATION  
OF ARTICLE 225-37  
OF THE FRENCH  
COMMERCIAL CODE **P. 91**

### 7.2

STATUTORY  
AUDITORS' REPORT  
ON THE CHAIRMAN'S  
REPORT **P. 95**



## 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 2, 2016.

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 fulfill its commitments to sustainable development.

The year 2015 was highlighted by the consolidation of our Corporate Social Responsibility Plan, «Elevation». That plan was shared with all of the group's collaborators at our annual «Elevation Days» meeting. With six priorities aligned with the group's roadmap, we intend to instill a pragmatic and collaborative CSR policy with concrete results on the impact of products and services, customer awareness, employees's pride and desire to win collaborators, supplier relationships and our local presence. We have chosen to respond to this significant issue by making the Elevation plan an important ambition and a long-term process. In particular, we will remember three important events in the year 2015. First the signing of the United Nations' Global Pact which allows us to pursue a voluntary process towards continuous improvement and extend the reach of our messages. Second, the Elevation days in 2015 have not only been adopted by our subsidiaries but also permitted us to reward the work led by teams, suppliers and stakeholders in the region. Lastly, the year ended with our participation in the COP21 debates in Paris, a great opportunity for a medium sized company like us to share our approach and promote the evolution of the sector's practices with respect to measuring consumption and customer information.

### 7.1.1 CORPORATE GOVERNANCE

Since August 2010, the company has been using the MiddleNext corporate governance code for mid-caps as a reference. That code was published in December of 2009 and is available at the website: [www.middlenext.com](http://www.middlenext.com).

The company's corporate governance complies with all of the MiddleNext code recommendations. In addition, the Board of directors took note of the items presented under the heading «points of vigilance» which are essential provisions of the code.

At its December 17, 2009 session, the Shareholders' Meeting adopted a mode of governance with a separation of functions between a non-executive Chairman of the Board of directors and a Chief executive officer, the only executive corporate officer. This report details the three main governance powers as defined by the MiddleNext code.

#### ■ 7.1.1.1 EXECUTIVE POWER: «THE CHIEF EXECUTIVE OFFICER»

The executive power of the company is ensured by the Chief Executive Officer function defined in the company's statutes, whose powers are described in the board's internal regulations.

Thus, the board's internal regulations provide that the Chief Executive Officer is in charge of implementing the group's strategy, whose medium-term orientations are defined in a strategic plan approved by the Board. The Chief Executive Officer proposes an annual budget which represents a breakdown of the strategic plan for the upcoming financial period.

In addition, the internal regulations list a certain number of transactions for which the Chief Executive Officer must obtain the Board's prior approval.

The Chief Executive Officer shall 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 of the management report on corporate governance. All of these components were approved by the Board of directors as proposed by the Compensation committee and are a part of an approach of good governance practices in accordance with the recommendations R1 to R5 of the MiddleNext code.

The Board of directors appointed Michel Denis as Chief Executive Officer 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»

##### COMPOSITION OF THE BOARD OF DIRECTORS

The Board of directors, which was appointed by the Shareholders' Meeting on June 28, 2013, consists of nine members. The term of the office, as defined by the statutes, is four years.

The make-up of the Board of directors is as follows:

- Marcel Braud, Chairman
- Jacqueline Himsworth, Vice-Chairwoman
- Gordon Himsworth,
- Marcel-Claude Braud,
- Sébastien Braud,
- Christopher Himsworth,
- Dominique Bamas, independent member,
- Pierre-Henri Ricaud, independent member,
- Agnès Michel-Ségalen, 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 defined by 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 updated its internal regulation. Those regulations, which have not been disclosed, define the rules related to 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 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 2015, the Board of directors met 8 times. Throughout the year, the group's business, strategic direction and projects in process were reviewed. In 2015, special attention was given to respecting the roadmap, to strengthening innovation, to the development of service offerings and to the pursuit of our commitment in terms of CSR.

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 2015 was 99%.

The Statutory auditors were requested to attend the Board meetings related to the review of the half-year and annual financial statements in accordance with article L.823-17 of the French Commercial code.

The Board members are compensated in the form of attendance fees whose distribution is decided by the Board based on the opinion of the Compensation committee, according to the Board members' 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, attendance fees, and an employment contract. The details for the total of all compensation are provided in chapter 5 of the management report on corporate governance.

An evaluation of the Board of directors' performance was not performed in 2015. An action plan, which was put in place following the assessment carried out in 2014, was further pursued in 2015. There will be a new assessment in 2016.

### **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-Ségalen 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 six 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 2015, 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 as presented by the Head of audit and internal 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***

The Compensation committee is composed of Dominique Bamas, its Chairman, Sebastien Braud and Christopher Himsworth, Pierre-Henri Ricaud being an alternate member.

The main functions of the committee are to prepare the Board's work related to compensation:

- for Board members, by making proposals regarding the allocation of attendance fees in accordance with the criteria contained in the internal regulations, the Chairman's compensation and the compensation awarded to any Board member who may have been assigned ad-hoc assignments;
- to the President and Chief Executive Officer, 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 three times during 2015 and its work has been the subject of reports to the Board of directors.

#### ***The Strategic committee***

The Strategic committee consists of Marcel Braud, Chairman, Marcel-Claude Braud, Gordon Himsworth and Dominique Bamas, Christopher Himsworth and Sebastien Braud being alternate members.

Its main functions are to assist the Board in the definition of strategy. It prepares the Board's work related to the strategic plan, to any proposed strategic alliances, technological cooperation, industrial partnership or

diversification affecting the company's business portfolio, as well as any major investments or divestments.

The Strategic committee met two times in 2015.

#### ***The Development committee***

The Development committee consists of Marcel Braud and Jacqueline Himsworth. Sébastien Braud and Gordon Himsworth serve as alternate members.

The committee did not meet in 2015. 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.

### ■ 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.

Above and beyond the above mentioned objectives, in 2015 the group signed the United Nations' Global Compact Charter, which replaced the Code of Ethics instated in June of 2010. The adoption of an international standard such as the Global Compact Charter simplifies the readability and understanding of Manitou policy without jeopardizing the fundamental principles retained in the 2010 charter.

### ■ 7.1.2.2 ORGANIZATION

The internal control system is based on a clearly defined organization. Two product divisions, MHA - Material Handling & Access (Material handling and Aerial work platforms) and CEP - Compact Equipment Products (Compact Equipment), a Services & Solutions division, Sales & Marketing management and the support functions. The Executive Committee, whose composition is described in detail in this management report, meets every week with the Chief executive officer. The Presidents of the product divisions are supported by a steering committee which brings together all of the operating functions in their division.

This organization provides a framework which, through quarterly "Business Reviews", permits the control of the businesses and the achievement of objectives for each product division and each sales region and on a half-year basis for each support function.

In addition, the group places reliance upon a manual for decision making and responsibility updated in December 2015, in line with the group's organization and which is applicable to all group companies and covers the following topics:

- legal and regulatory requirements, including health, safety and environmental protection,
- financial transactions, including off-balance sheet commitments,
- the budget process,
- sales and marketing,
- purchasing,
- fixed asset management,
- human resources.

The internal control system is driven by the manager of internal control and audit, reporting hierarchically to the group's Corporate Secretary 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 fulfill 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 Executive committee.

Based on the assumptions made and guidance provided by executive management, all of the group's legal entities produce an estimated budget which is reviewed by the assigned 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 arbitrate the priorities and objectives of each division, prior to presentation to the Audit committee and the Board of directors for approval.

\* The AMF's complimentary report on corporate governance, executive compensation and internal control for small and mid-cap companies with reference to the MiddleNext code on corporate governance.

## 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 2015 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 Corporate Secretary – 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's Statutory auditors and reviewed with the financial management.

The interim financial statements, prepared in accordance with IAS 34, are also subject to a limited review by the Statutory auditors.

The Statutory auditors presented the summary of their findings to the Audit committee on February 26, 2016. The Board of directors met on March 2, 2016 to approve Manitou's corporate and consolidated financial statements as at December 31, 2015.

### ■ 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 Audit and internal control manager, 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 are 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 2015 which included the identification of coverage policies carried by members of the Executive Committee for major risks. A presentation of the evolution of these plans was made to the Audit Committee on October 8, 2015. An update of the risk map is planned to take place in 2016.

### ■ 7.1.2.5 THE CONTROL ACTIVITIES

Internal audits are conducted according to an annual audit plan which is validated by the Audit committee.

Ten internal audits were performed in 2015:

- On the non-production purchasing process of Manitou BF;
- At the Italian subsidiary Manitou Italia on the human resources and sales processes;

- At Manitou China on the sales & marketing, logistics and the administrative & financial processes;
- On the cash management process at Manitou BF;
- At the joint venture Manitou Finance Ltd (UK) in the UK regarding their compliance to the contract between Manitou BF and the BNP;
- At the US subsidiary, Manitou Americas on the general expenses and human resources;
- At Manitou Middle East in the United Arab Emirates on the sales and marketing, logistics, administrative & financial processes;
- At Manitou Nordics in Latvia on the sales and marketing, logistics and administrative & financial processes;
- At Manitou Brasil on the sales and marketing, logistics and administrative & financial processes;
- On the management of IT access at Manitou BF as well as at the subsidiaries Manitou Americas in the US and Manitou Italia in Italy.

The reports, which contain recommendations and related action plans, are sent to the local management concerned, to Executive management, to the Audit committee, 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 five years were reiterated during the year 2015. 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 2014 was nearly 78.5%. That was the result of a higher level of attention placed on the implementation of action plans as well as the performance of certain monitoring missions specifically related to the implementation of 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 audit and internal control and the Statutory auditors,
- the shared distribution of the annual audit plan and, subsequently, each audit report issued,
- and the participation of the manager of audit and internal control at the Statutory auditors' closing audit discussions.

#### **Marcel Braud**

Chairman of the Board of directors

## 7.2 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF MANITOU BF

*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 2015.

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.

– 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 on 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 of directors 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 2016

The Statutory auditors

*French original signed by*

**RSM Ouest**

Nicolas Perenchio

**Deloitte & Associés**

Thierry de Gennes

### 7.2.1 INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

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;





# 8.

## FINANCIAL STATEMENTS

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## 8.1 CONSOLIDATED FINANCIAL STATEMENTS

### 8.1.1 CONSOLIDATED INCOME STATEMENT

#### ■ CONSOLIDATED INCOME STATEMENT

<i>In thousands of euros</i>		31.12.2014*	31.12.2015
Net sales	Note 21	1,246,456	1,287,157
Cost of goods and services sold		-1,062,498	-1,084,030
Research & development expenses		-22,715	-20,595
Sales, marketing and service expenses		-72,402	-77,591
Administrative expenses		-40,008	-44,060
Other operating income and expenses	Note 26	-563	-358
<b>RECURRING OPERATING INCOME</b>		<b>48,270</b>	<b>60,523</b>
Impairment of assets	Note 22	-709	-257
Other non-recurring operating income and expenses	Note 22	-1,572	-3,117
<b>OPERATING INCOME</b>		<b>45,989</b>	<b>57,149</b>
Share of profits of associates	Note 9	1,649	2,723
<b>OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES</b>		<b>47,638</b>	<b>59,872</b>
Financial income		4,219	11,166
Financial expenses		-11,747	-21,578
<b>Net financial income / expense</b>	Note 27	<b>-7,528</b>	<b>-10,412</b>
<b>INCOME BEFORE TAX</b>		<b>40,109</b>	<b>49,459</b>
Income taxes	Note 20	-9,575	-16,919
<b>NET INCOME (LOSS)</b>		<b>30,534</b>	<b>32,541</b>
<b>Attributable to equity holders of the Parent</b>		<b>30,387</b>	<b>32,298</b>
<b>Attributable to minority interests</b>		<b>147</b>	<b>242</b>

#### ■ EARNING PER SHARE (IN EUROS)

		31.12.2014*	31.12.2015
<b>Net income (loss) attributable to the equity holders of the Parent</b>	Note 1.24	0.77	0.82
<b>Diluted earnings per share</b>	Note 1.24	0.77	0.82

#### ■ OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE & COMPREHENSIVE INCOME

<i>In thousands of euros</i>		31.12.2014*	31.12.2015
<b>INCOME (LOSS) FOR THE PERIOD</b>		<b>30,534</b>	<b>32,541</b>
Adjustments in the fair value of available-for-sale financial assets		92	40
<i>Of which booked to equity</i>		92	40
<i>Of which transferred to income of the year</i>			
Currency translation differences arising on foreign activities		23,692	18,312
<i>Attributable to equity holders of the Parent</i>		23,673	18,314
<i>Attributable to minority interests</i>		19	-2
Interest rates hedging instruments		-1,054	537
<i>Attributable to equity holders of the Parent</i>		-1,054	537
<i>Attributable to minority interests</i>		0	0
<b>Items that will be reclassified to profit or loss in subsequent periods</b>		<b>22,729</b>	<b>18,889</b>
Actuarial gains (losses) on defined benefits plans		-10,863	1,086
<i>Attributable to equity holders of the Parent</i>		-10,857	1,089
<i>Attributable to minority interests</i>		-6	-3
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>		<b>-10,863</b>	<b>1,086</b>
<b>OTHER COMPONENTS OF COMPREHENSIVE INCOME</b>		<b>11,867</b>	<b>19,974</b>
<b>COMPREHENSIVE INCOME</b>		<b>42,401</b>	<b>52,515</b>
<i>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</i>		<b>42,241</b>	<b>52,278</b>
<i>ATTRIBUTABLE TO MINORITY INTERESTS</i>		<b>160</b>	<b>237</b>

The other components of comprehensive income and loss are presented net of the associated taxes. The tax impact may be split as follows:

<i>In thousands of euros</i>		31.12.2014*	31.12.2015
Items that will be reclassified to profit or loss in subsequent periods		-501	-331
Items that will not be reclassified to profit or loss in subsequent periods		-4,720	-729
<b>Total tax impacts</b>		<b>-5,221</b>	<b>-1,060</b>

\* Statements 2014 restated of the retrospective application of IFRIC 21 and of the presentation change of foreign exchange gains and losses. (see note 1.2).

## 8.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ■ ASSETS

<i>In thousands of euros</i>		<b>31.12.2014*</b>	<b>Net amount 31.12.2015</b>
<b>NON-CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	Note 7	130,303	140,432
INVESTMENT PROPERTY			
GOODWILL	Note 6	294	288
INTANGIBLE ASSETS	Note 6	24,552	27,439
INVESTMENTS IN ASSOCIATES	Note 9	23,495	25,126
NON-CURRENT FINANCE CONTRACT RECEIVABLES	Note 13	1,917	2,446
DEFERRED TAX ASSETS	Note 20	26,639	21,938
NON-CURRENT FINANCIAL ASSETS	Note 10	6,372	7,153
OTHER NON-CURRENT ASSETS		253	286
		<b>213,825</b>	<b>225,109</b>
<b>CURRENT ASSETS</b>			
INVENTORIES AND WORK IN PROGRESS	Note 11	413,313	377,122
TRADE RECEIVABLES	Note 12	238,665	266,192
CURRENT FINANCE CONTRACT RECEIVABLES	Note 13	1,877	1,150
OTHER RECEIVABLES			
Current income tax		10,293	12,434
Other receivables	Note 15	21,195	21,365
CURRENT FINANCIAL ASSETS	Note 10	841	1,265
CASH AND CASH EQUIVALENTS	Note 10	22,930	57,299
		<b>709,114</b>	<b>736,827</b>
<b>TOTAL ASSETS</b>		<b>922,940</b>	<b>961,936</b>

### ■ EQUITY AND LIABILITIES

<i>In thousands of euros</i>		<b>31.12.2014*</b>	<b>Net amount 31.12.2015</b>
Share capital	Note 16	39 549	39 552
Share Premiums		44 645	44 682
Treasury shares		-8 989	-9 154
Consolidated reserves		352 064	370 478
Currency translation differences		-1 302	17 026
Net profit (loss) – Equity holder of the Parent		30 397	32 298
<b>SHAREHOLDERS' EQUITY</b>		<b>456 365</b>	<b>494 883</b>
<b>MINORITY INTERESTS</b>		<b>-15</b>	<b>87</b>
<b>TOTAL EQUITY</b>		<b>456 349</b>	<b>494 970</b>
<b>NON-CURRENT LIABILITIES</b>			
NON-CURRENT PROVISIONS	Note 17	51 690	50 894
OTHER NON-CURRENT LIABILITIES		12 896	1 197
DEFERRED TAX LIABILITIES	Note 20	130	213
NON-CURRENT FINANCIAL LIABILITIES			
Loans and other financial liabilities	Note 10	95 332	105 618
		<b>160 047</b>	<b>157 922</b>
<b>CURRENT LIABILITIES</b>			
CURRENT PROVISIONS	Note 17	19 945	21 770
TRADE ACCOUNTS PAYABLE	Note 19	174 225	180 054
OTHER CURRENT LIABILITIES			
Current income tax	Note 20	4 491	1 154
Other liabilities		81 915	87 018
CURRENT FINANCIAL LIABILITIES	Note 10	25 967	19 048
		<b>306 543</b>	<b>309 044</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>922 940</b>	<b>961 936</b>

\* Statements 2014 restated of the retrospective application of IFRIC 21 and of the presentation change of foreign exchange gains and losses. (see note 1.2).

## 8.1.3 CONSOLIDATED SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2015

### ■ CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share Capital	Share Pre- miums	Treasury shares	Reserves	Income for the period	Currency translation differences	Valu- ation diffe- rences	TOTAL SHARE- HOLDERS' EQUITY (Group portion)	Minority interests	TOTAL SHARE- HOLDERS' EQUITY
<i>In thousands of euros</i>										
<b>Balance at 31/12/2013*</b>	<b>39,549</b>	<b>44,645</b>	<b>-9,393</b>	<b>362,675</b>	<b>650</b>	<b>-24,966</b>	<b>908</b>	<b>414,068</b>	<b>-33</b>	<b>414,035</b>
Income for the year 2013				650	-650					
Income at 31.12.2014					30,387			30,387	147	30,534
Dividends										
Changes in currency translation differences						23,673		23,673	19	23,692
Valuation differences under IFRS				-1,374				-1,374		-1,374
Treasury shares			404					404		404
Actuarial (gains) losses on employee benefits				-10,857				-10,857	-6	-10,863
Changes in consolidation scope and other Shareholders' agreements				63	10	-9		64	-142	64
										-142
<b>Balance at 31/12/2014*</b>	<b>39,549</b>	<b>44,645</b>	<b>-8,989</b>	<b>351,156</b>	<b>30,397</b>	<b>-1,302</b>	<b>908</b>	<b>456,365</b>	<b>-15</b>	<b>456,349</b>
Income for the year 2014				30,397	-30,397					
Income at 31.12.2015					32,298			32,298	242	32,541
Dividends				-13,734				-13,734		-13,734
Changes in currency translation differences						18,314		18,314	-2	18,312
Valuation differences under IFRS				675				675		675
Treasury shares			-165					-165		-165
Actuarial (gains) losses on employee benefits				1,089				1,089	-3	1,086
Changes in consolidation scope and other Shareholders' agreements	3	37		-12	0	14		42	-135	42
										-135
<b>Balance at 31/12/2015</b>	<b>39,552</b>	<b>44,682</b>	<b>-9,154</b>	<b>369,571</b>	<b>32,298</b>	<b>17,026</b>	<b>908</b>	<b>494,883</b>	<b>87</b>	<b>494,970</b>

\* Statements 2013 and 2014 restated of the retrospective application of IFRIC 21 and of the presentation change of foreign exchange gains and losses. (see note 1.2).



## 8.1.4 CASH FLOW STATEMENT AS OF DECEMBER 31, 2015

In thousands of euros

31.12.2014\*

31.12.2015

<b>INCOME (LOSS) FOR THE YEAR</b>	<b>30,534</b>	<b>32,541</b>
Less share of profits of associates	-1,649	-2,723
<i>Elimination of income and expense with no effect on operating cash flow and not linked to operating activities</i>		
+ Amortisation and depreciation	31,781	33,278
- Provisions and impairment	-9,988	-1,671
- Change in deferred taxes	-3,051	4,679
+/- Income (loss) from non-current asset disposal	-183	19
- Change in capitalized leased machines	-6,176	-9,549
+/- Other	-771	-135
<b>EARNINGS BEFORE DEPRECIATION AND AMORTISATION</b>	<b>40,498</b>	<b>56,439</b>
<i>Changes in cash flows from operating activities</i>		
+/- Change in inventories	-67,171	45,159
+/- Change in trade receivables	-1,444	-15,878
+/- Change in finance contracts receivables	2,890	341
+/- Change in other operating receivables	3,362	-121
+/- Change in trade accounts payables	3,095	3,723
+/- Change in other operating liabilities	18,619	-7,819
+/- Change in taxes payables and receivables	3,464	-5,601
+/- Change in liabilities linked to finance contracts receivables	-1,691	-467
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,622</b>	<b>75,777</b>
<i>Changes in cash flows from investing activities</i>		
+ Proceeds from sale of property, plant and equipment	3,517	373
+ Proceeds from sale of long-term investments		
- Purchase of intangible assets, property, plant and equipment (excl. rental fleet)	-19,543	-32,970
- Decrease (increase) of other financial assets	-117	-989
- Acquisition of subsidiaries or minority interests		
- Increase in capital of associates		-2,887
+ Dividends received from associates	1,677	4,410
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-14,466</b>	<b>-32,063</b>
<i>Changes in cash flows from financing activities</i>		
+ Increase in capital		40
- Capital reduction		
- Merger		
- Dividends paid		-13,734
+/- Purchase / sale of treasury shares	139	
+/- Change in financial liabilities	2,297	9,985
<i>Of which loans taking during the year</i>	20,991	48,985
<i>Of which loans repaid during the year</i>	-18,695	-39,000
+/- Other	668	832
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>3,104</b>	<b>-2,876</b>
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS</b>	<b>-9,740</b>	<b>40,838</b>
Cash, cash equivalents and bank overdrafts at beginning of the year	21,279	11,880
Exchange gains (losses) on cash and bank overdrafts	342	1,081
<b>CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR</b>	<b>11,880</b>	<b>53,800</b>
<b>CURRENT FINANCIAL ASSETS (REMINDER)</b>	<b>841</b>	<b>1,265</b>

\* Statements 2014 restated of the retrospective application of IFRIC 21 and of the presentation change of foreign exchange gains and losses. (see note 1.2).

## 8.1.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015

### GENERAL INFORMATION

#### ■ COMPANY IDENTITY

Manitou BF SA is a French corporation (société anonyme) with a Board of directors under French law with capital of 39,551,949 euros consisting of 39,551,949 fully paid shares with a par value of €1 per share. The shares are listed in compartment «B» of Euronext Paris stock exchange.

The parent company's registered office, 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.

#### ■ FINANCIAL INFORMATION RELATED TO THE CLOSING

The Manitou Group's consolidated financial statements were approved by the Board of Directors on March 2, 2016.

### 1 – ACCOUNTING PRINCIPLES

#### ► 1.1 - ACCOUNTING STANDARDS USED BY THE GROUP

The financial statements of the Manitou group at December 31, 2015 were prepared according to IFRS as adopted by the European Union at the closing date. Those international standards include IAS (*International Accounting Standards*), IFRS (*International Financial Reporting Standards*) and the interpretations (SIC and IFRIC).

Comparative data presented in the 2014 consolidated financial statements are restated for the change in accounting method related to the retrospective application of IFRIC 21 and the change in presentation of foreign exchange gains and losses (see notes 1.2 and 2).

#### ► 1.2 - ACCOUNTING CHANGES IMPLEMENTED IN THE GROUP'S FINANCIAL STATEMENTS AS AT DECEMBER 31, 2015

The accounting and valuation rules applied by the group in the consolidated financial statements at December 31, 2015 are identical to those used in the financial statements at December 31, 2014, except for the changes mentioned below.

##### 1.2.1 NEW STANDARDS FOR WHICH APPLICATION WAS REQUIRED FOR THE 2015 FINANCIAL STATEMENTS

##### FIRST APPLICATION OF THE INTERPRETATION OF IFRIC 21 «LEVIES»

IFRIC 21 – Levies was mandatory as of January 1, 2015 for the Manitou group. It specifies the event for recognizing a liability relating to a tax other than income taxes when the obligation to pay comes at a specified date or upon reaching a certain threshold of activity. The recording of these taxes is no more spread out but takes place immediately following the occurrence of the triggering event. The impact remains essentially a different allocation of the expense in the interim period closings. The «levies» affected by the new standard which impacts the Manitou financial statements are the French company social solidarity contribution (C3S, a sales tax for French

companies) and the property tax. The impact of these restatements on the consolidated income statement on December 31, 2015 was immaterial.

The consolidated financial statements as of December 31, 2014 have nevertheless been restated to provide comparable data and are included in note 2.

#### OTHER STANDARDS AND INTERPRETATIONS

The other standards required on January 1, 2015 had no impact on the group's financial statements.

#### 1.2.2 NEW STANDARDS ADOPTED BY THE EUROPEAN UNION SUBJECT FOR EARLY APPLICABLE

The Manitou group did not apply any standards, amendments or interpretations published in the Official Journal of the European Union at December 31, 2015 for which the application was not required in 2015, notably IFRS 15 «Revenue from contracts with customers».

Manitou has just begun an analysis to enable it to determine the potential impact of this new standard on the recognition of its sales revenues (in terms of valuation and the timing of its recording).

#### 1.2.3 CHANGE IN ACCOUNTING PRESENTATION

The group has now decided to report gains and losses recorded on foreign exchange resulting from the difference between the market value on the trading day and that on the payment date in the line item «Cost of goods and services sold» and no longer as «Other income and expense». This change in classification permits the group to provide information which is more relevant to the group's performance. It does not impact the group's recurring operating income and net income.

The 2014 period's comparable figures have been restated in line with the new classification and the impact is provided in note 2.

#### ► 1.3 - 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 called upon to provide its opinion 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 1.8 to 1.10),
- Provisions, especially provisions for warranties and litigation (see note 1.18),
- Employee benefits (see note 1.19),
- The valuation of stock options (see note 1.17),
- The treatment of agreements with minority shareholders (see note 1.13),
- The fair value of receivables from sales financing (see note 1.12),
- Deferred tax assets (see note 1.20).

## ► 1.4 - CONSOLIDATION METHODS

Manitou BF and the companies in which it, directly or indirectly, exercises full control (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 as at December 31, 2015.

Manitou has no special purpose entities. Moreover, no deconsolidation was performed in the year 2015 or in the prior years' periods.

## ► 1.5 - PRESENTATION OF FINANCIAL STATEMENTS: INCOME STATEMENT BY FUNCTION

The presentation of the income statement by function serves the following objectives:

- 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.

### 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 equipment rentals, of equipment fleet management services and of other miscellaneous services.

#### *Cost of goods and services sold*

Cost of sales is made up of the cost of goods and services sold which include the cost of materials and components, labor directly attributable to the goods or services, as well as all related operating costs of the production and logistics activities. Also included in cost of sales are the amortization of intangible assets, equipment and materials allocated to production, contractual warranty costs, inventory impairment provisions and gains and losses recorded on foreign currency operating transactions resulting from the difference between the valuation on the transaction day and on the day of payment.

#### *Gross margin*

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

#### *Research & development expenses*

Research and development expenses consist 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 expenses, trade shows, insurance expenses, 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 expenses and the costs associated with the support functions (human resources, finance, the general secretariat, 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,
- Unusual items corresponding to other income and expenses which are not usual in terms of frequency, nature and amount.

#### *Operating income*

Operating income includes all recurring and non-recurring items described in the prior section.

#### *Operating income including income from associates*

The aggregate line item entitled "Operating income including income from associates" includes the proportionate share of income from affiliate companies in operating income.

## ► 1.6 - CONVERSION METHOD ON FOREIGN CURRENCY OPERATIONS AND TRANSACTIONS

### CONVERSION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

The financial statements of group companies whose functional currency is different from the reporting currency are translated as follows:

- The closing exchange rate on the balance sheet date;
- Income and expenses in the income statement: at average annual rates.

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.

The amounts recognized in the income statement are reported:

- As financial income for currency translation differences relating to financial transactions;
- As costs of goods and services sold in the operating result for other conversion differences.

## CURRENCY EXCHANGE GAINS AND LOSSES

Currency gains and losses recognized on normal sales transactions resulting from the difference between the exchange rate on the trading day and the exchange rate on payment date, after taking account of currency hedges, are recorded as «Costs of goods and services sold».

## ► 1.7 - 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 1.10).

Goodwill arising from the acquisition of affiliates is included in the value of those investments on the balance sheet.

## ► 1.8 - INTANGIBLE ASSETS

**DEVELOPMENT COSTS** are capitalized as an asset when all of 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 equipment 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 that portion 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.

**SUBSEQUENT REVALUATION:** IAS 38 provides the option of revaluing all or a portion of the assets after the transition date. The group has decided not to retain that option.

**DEPRECIATION** is calculated according to the estimated useful lives of the various asset categories and is based on the linear method. The depreciable amount is the difference between the cost of the asset and its residual value which is considered to be zero for all depreciable assets.

The main depreciation periods are as follows:

- Goodwill: 5 years,

- Patents: 5 years,
- Computer software: 3 years,
- Complex IT systems - ERP: 7 years,
- Development costs: 5 years.

## ► 1.9 - 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 €50 thousand), 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 and computer equipment: 3 to 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 was capitalized when the unit value was greater than €15 thousand.

Equipment subject to financing leases for the benefit of customers was 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.

## ► 1.10 - 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 amounted to 8.63% for the 2015 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.

### ► 1.11 - 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:

- Goods: valued at the weighted average purchase price,
- Raw materials: valued at the weighted average purchase price,
- Semi-processed products, work in-process and finished goods: valued at cost of production (raw materials, equipment and labor 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.

### ► 1.12 - VALUATION AND RECORDING OF FINANCIAL ASSETS

#### 1.12.1 - RECEIVABLES ON SALES FINANCING

Receivables on 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 amount of any loss recognized is recorded in the income statement.

#### 1.12.2 - SECURITIES AVAILABLE FOR SALE

Minority equity investments in companies that are not controlled, or for which significant influence does not exist, are classified as «available-for-sale». Those securities are valued at their fair value at the balance sheet date and changes in fair value are recognized in consolidated reserves.

An impairment loss is recognized in the income statement when there is objective evidence of impairment. A significant or prolonged decrease in the fair value of securities held, below their cost, is objective evidence of impairment.

#### 1.12.3 - CASH AND CASH EQUIVALENTS

The item «Cash and cash equivalents» includes cash on-hand and current bank deposits 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.

#### 1.12.4 - SHORT-TERM FINANCIAL ASSETS

Short-term financial assets are valued at their fair value against income.

### ► 1.13 - VALUATION AND RECORDING OF FINANCIAL LIABILITIES

#### 1.13.1 - 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 expenses and other costs incurred which are spread over the life of the loan.

#### 1.13.2 - VALUATION OF SHAREHOLDER AGREEMENTS (MINORITY PUT OPTIONS)

Manitou BF SA has signed shareholder pacts defining the terms for the repurchase of shares held by the 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.

### ► 1.14 - 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 10).

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).

### ► 1.15 - DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

#### 1.15.1 - 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.

#### 1.15.2 - 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.



## 1.15.3 - 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 are 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 for the period.

### *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 in operating result (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.

## ► 1.16 - 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 for the period.

## ► 1.17 - 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 16.4 of the notes to 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.

## ► 1.18 - 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.

## ► 1.19 - 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 that 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 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 18 of the notes to the consolidated financial statements.

Actuarial gains and losses generated by changes in assumptions were recorded in reserves at December 31, 2015.

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.

## ► 1.20 - 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 analyzed 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.

### ► 1.21 - 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.

### ► 1.22 - SEGMENT INFORMATION

The group is organized around 3 divisions, two product divisions and a service division:

**The MHA division** (Material Handling and Access – handling equipment and aerial work platforms), develops and produces Manitou brand name telehandlers, masted industrial and rough terrain forklift trucks, imbedded forklift trucks and aerial work platforms. Its mission is to optimize the development and production of Manitou brand name products.

**The CEP division** (Compact Equipment Products – compact equipment) has the mission of optimizing the development and production of skidsteers loaders, track loaders and articulated loaders, telehandlers branded Gehl and Mustang.

**The S&S division** (Services & Solutions division) combines all sales service activities (financing options, 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.). That division's objective is to create 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 sales and marketing organization to the dealers and the group's large accounts which are spread over 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.

### ► 1.23 - 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.

### ► 1.24 - 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.

## 2 – THE COMPARABILITY OF PERIODS

The impact of the application of IFRIC 21 and the change in the presentation for the recognition of foreign exchange gains and losses, as described in note 1.2 in the notes to the consolidated financial statements, are summarized below:

### IMPACTS ON THE CONSOLIDATED BALANCE SHEET

The balance sheet at December 31, 2014 was restated as follows:

<i>In thousands of euros</i>	Reported in 2014	IFRIC 21	Currency exchange gains and losses	2014 restated
<b>NON-CURRENT ASSETS</b>	<b>214,311</b>	<b>-486</b>		<b>213,825</b>
<i>Of which, investments in affiliates</i>	<i>23,445</i>	<i>50</i>		<i>23,495</i>
<i>Of which, deferred tax assets</i>	<i>27,175</i>	<i>-536</i>		<i>26,639</i>
<b>CURRENT ASSETS</b>	<b>709,114</b>			<b>709,114</b>
<b>TOTAL ASSETS</b>	<b>923,426</b>	<b>-486</b>		<b>922,940</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>455,408</b>	<b>941</b>		<b>456,349</b>
<b>NON-CURRENT LIABILITIES</b>	<b>160,047</b>			<b>160,047</b>
<b>CURRENT LIABILITIES</b>	<b>307,970</b>	<b>-1,427</b>		<b>306,543</b>
<i>Of which, other liabilities</i>	<i>83,342</i>	<i>-1,427</i>		<i>81,915</i>
<b>TOTAL ASSETS</b>	<b>923,426</b>	<b>-486</b>		<b>922,940</b>

# SUMMARY OF THE IMPACT ON THE CONSOLIDATED INCOME STATEMENT

A summary of the impact on the consolidated income statement for the 2014 period follows:

<i>In thousands of euros</i>	<b>Reported in 2014</b>	IFRIC 21	Currency exchange gains and losses	<b>2014 restated</b>
Sales	1,246,456			1,246,456
Cost of goods and services sold	-1,059,646	64	-2,916	-1,062,498
Research & development expenses	-22,723	8		-22,715
Sales, marketing and service expenses	-72,413	11		-72,402
Administrative expenses	-40,016	8		-40,008
Other operating income and expenses	-3,479		2,916	-563
<b>RECURRING OPERATING INCOME</b>	<b>48,179</b>	<b>91</b>	<b>0</b>	<b>48,270</b>
<b>OPERATING INCOME</b>	<b>45,898</b>	<b>91</b>	<b>0</b>	<b>45,989</b>
<b>OPERATING INCOME INCLUDING NET INCOME FROM AFFILIATES</b>	<b>47,547</b>	<b>91</b>	<b>0</b>	<b>47,638</b>
<b>Net financial income / expense</b>	<b>-7,528</b>			<b>-7,528</b>
Taxes	-9,540	-35		-9,575
<b>NET INCOME</b>	<b>30,478</b>	<b>56</b>	<b>0</b>	<b>30,534</b>
<b>Group share</b>	<b>30,331</b>	<b>56</b>		<b>30,387</b>
<b>Minority Interests</b>	<b>147</b>			<b>147</b>

# IMPACT ON THE CONSOLIDATED CASH FLOW STATEMENT

A summary of the impact on the consolidated cash flow statement for the 2014 period follows:

<i>In thousands of euros</i>	<b>Reported at 31.12.2014</b>	IFRIC 21	<b>31.12.2014 restated</b>
<b>NET INCOME</b>	<b>30,478</b>	<b>56</b>	<b>30,534</b>
Less portion of income paid to associates	-1,649		-1,649
Less: Non-cash and non-operating expenses	11,577	35	11,612
- Of which, change in deferred taxes	-3,086	35	-3,051
<b>CASH FLOW</b>	<b>40,407</b>	<b>91</b>	<b>40,498</b>
Changes in working capital	-38,785	-91	-38,876
- Of which, changes in other operating liabilities	18,710	-91	18,619
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,622</b>	<b>0</b>	<b>1,622</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-14,466</b>	<b>0</b>	<b>-14,466</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>3,104</b>	<b>0</b>	<b>3,104</b>
<b>INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS</b>	<b>-9,740</b>	<b>0</b>	<b>-9,740</b>
Cash, cash equivalents and bank overdrafts at the beginning of period	21,279		21,279
Impact of changes in exchange rates on cash	342		342
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF PERIOD</b>	<b>11,880</b>	<b>0</b>	<b>11,880</b>
<b>CURRENT FINANCIAL ASSETS (FOR INFORMATION)</b>	<b>841</b>	<b>0</b>	<b>841</b>

### 3 – HIGHLIGHTS

#### ISSUANCE OF A NEW BOND FOR 25,000,000 EUROS

In July 2015, the Manitou group announced the execution of a €25 million new private bond issue. The bonds bears an interest at a 4.0% rate and will be repayable at maturity in July 2022.

This issue allows Manitou to extend its debt maturity and to finalize the execution of its disintermediated financing cycle launched in 2012.

It also allows the €24,7 million repayment by anticipation of a €50 million credit line subscribed initially in 2013, and consequently, did not increase the gross debt of the group.

As at December 31, 2015, the Manitou Group has almost €50 million of disintermediated debt.

#### LITIGATION

In early 2016, the group was found guilty in commercial litigation related to the distribution of products under the Manitou brand name in the United States. The group disagrees with these decisions and all appeals will be exercised to protect the group's interests. At December 31, 2015, the total risk was provisioned for €3.9 million.

The Manitou group also obtained a settlement in early 2016 following a patent dispute. This transaction generated a gain of €1.1 million at December 31, 2015.

Both transactions were recorded in «Other non-recurring operating income and expenses» due to their non-recurring nature.

### 4 – CHANGES IN SCOPE

During the 2015 period, the group continued the simplification of its structure through the liquidation of Pledgmead and EPL Centro, dormant companies.

Moreover, the group proceeded with the creation of a subsidiary in order to spin-off its warehousing activities to a new dedicated structure, LMH Solutions SAS. The group also pursued its international expansion by creating two distribution subsidiaries in Malaysia and Chile.

### 5 – INFORMATION ON THE OPERATING SEGMENTS

The group is organized around 3 divisions, two product divisions and a service division:

**The MHA** – Material Handling and Access product division manages the French and Italian production sites manufacturing telehandlers, roughterrain 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 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 (MHA, CEP, S&S)

<b>31.12.2015</b>	<b>MHA</b>	<b>CEP</b>	<b>S&amp;S</b>	<b>Total</b>
<i>In thousands of euros</i>	Material Handling and Access	Compact Equipment Products	Services & Solutions	
Sales	826,847	239,786	220,523	1,287,157
Cost of goods and services sold	-708,735	-205,964	-169,331	-1,084,030
Research & development expenses	-15,712	-4,883		-20,595
Sales, marketing and service expenses	-34,519	-11,389	-31,684	-77,591
Administrative expenses	-23,720	-13,011	-7,328	-44,060
Other operating income and expenses	-258	-169	69	-358
<b>RECURRING OPERATING INCOME</b>	<b>43,903</b>	<b>4,371</b>	<b>12,249</b>	<b>60,523</b>
Write-downs for impairment on assets	-159	-51	-47	-257
Other non-recurring operating income and expenses	-2,838	-57	-222	-3,117
<b>OPERATING INCOME</b>	<b>40,906</b>	<b>4,264</b>	<b>11,980</b>	<b>57,149</b>
Share of income from affiliates	-120		2,843	2,723
<b>OPERATING INCOME INCLUDING NET INCOME FROM AFFILIATES</b>	<b>40,786</b>	<b>4,264</b>	<b>14,822</b>	<b>59,872</b>

**31.12.2014**

	<b>MHA</b>	<b>CEP</b>	<b>S&amp;S</b>	<b>Total</b>
	Material Handling and Access	Compact Equipment Products	Services & Solutions	
<i>In thousands of euros</i>				
Sales	799,792	239,897	206,767	1,246,456
Cost of goods and services sold	-702,275	-197,962	-162,261	-1,062,498
Research & development expenses	-18,603	-4,112		-22,715
Sales, marketing and service expenses	-34,816	-10,270	-27,315	-72,402
Administrative expenses	-23,064	-10,837	-6,106	-40,008
Other operating income and expenses	-608	96	-51	-563
<b>RECURRING OPERATING INCOME</b>	<b>20,425</b>	<b>16,812</b>	<b>11,033</b>	<b>48,270</b>
Write-downs for impairment on assets	-465	-131	-113	-709
Other non-recurring operating income and expenses	-1,820	364	-117	-1,572
<b>OPERATING INCOME</b>	<b>18,141</b>	<b>17,046</b>	<b>10,802</b>	<b>45,989</b>
Share of income from affiliates	-422		2,071	1,649
<b>OPERATING INCOME INCLUDING NET INCOME FROM AFFILIATES</b>	<b>17,719</b>	<b>17,046</b>	<b>12,874</b>	<b>47,638</b>

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), 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 paid by the Services & Solutions division to the MHA and CEP divisions. That fee is calculated based on the 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. This fee is allocated to each division on the line «cost of goods and services sold», which corresponds to the cost of goods and services sold net of royalty expense or income.

Assets, cash flows as well as debt are not allocated to the individual divisions as the operating segment information used by group management does not incorporate those various items.



## ■ SALES BY DIVISION AND GEOGRAPHIC REGION

### 31.12.2015

<i>In thousands of euros</i>	Southern Europe	Northern Europe	Americas	APAM	Total
MHA	281,312	398,950	58,373	88,212	<b>826,847</b>
CEP	8,672	22,122	192,999	15,993	<b>239,786</b>
S&S	79,741	68,336	47,126	25,321	<b>220,524</b>
<b>TOTAL</b>	<b>369,725</b>	<b>489,409</b>	<b>298,497</b>	<b>129,526</b>	<b>1,287,157</b>

### 31.12.2014

<i>In thousands of euros</i>	Southern Europe	Northern Europe	Americas	APAM	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
<b>TOTAL</b>	<b>368,537</b>	<b>464,228</b>	<b>277,389</b>	<b>136,302</b>	<b>1,246,456</b>

## 6 – GOODWILL AND INTANGIBLE ASSETS

### ► 6.1 - CHANGE IN NET BOOK VALUE

						Gross amount
<i>In thousands of euros</i>	31.12.2014	Additions	Removals	Change in scope & other	Currency translation differences	31.12.2015
<b>Goodwill</b>	<b>67,082</b>			<b>-6</b>	<b>8,172</b>	<b>75,248</b>
Development expenses	41,969	7,147	-368		1,231	49,979
Trademarks	26,357				3,036	29,393
Other intangible assets	64,540	3,955	-195		3,403	71,704
<b>Total intangible assets</b>	<b>132,866</b>	<b>11,102</b>	<b>-563</b>		<b>7,671</b>	<b>151,076</b>

						Amortization and impairment
<i>In thousands of euros</i>	31.12.2014	Increases	Decreases	Change in scope & other	Currency translation differences	31.12.2015
<b>Goodwill</b>	<b>-66,788</b>				<b>-8,172</b>	<b>-74,960</b>
Development expenses	-25,621	-5,318	364		-398	-30,973
Trademarks	-26,357				-3,036	-29,393
Other intangible assets	-56,336	-3,909	185		-3,211	-63,271
<b>Total intangible assets</b>	<b>-108,314</b>	<b>-9,227</b>	<b>549</b>		<b>-6,645</b>	<b>-123,637</b>

						Net amount
<i>In thousands of euros</i>	31.12.2014					31.12.2015
<b>Goodwill</b>	<b>294</b>					<b>288</b>
Development expenses	16,348					19,007
Trademarks						
Other intangible assets	8,205					8,433
<b>Total intangible assets</b>	<b>24,552</b>					<b>27,439</b>

The main investments in intangible assets in 2015 were related to development costs of €7.1 million and information systems of €3.8 million.

As a reminder, impairment losses on intangible assets excluding goodwill at December 31, 2015 were as follows:

<i>In thousands of euros</i>	31.12.2015
Development expenses	-1,114
Trademarks	-29,393
Other intangible assets	-28,546
<b>Total</b>	<b>-59,053</b>

## ► 6.2 - DETAIL OF NET GOODWILL AT YEAR-END

<i>In thousands of euros</i>	<b>31.12.2014</b>	<b>Net amount 31.12.2015</b>
Manitou Portugal SA	71	71
Manitou Italy (ex OMCI)	174	174
Other	49	43
<b>Total</b>	<b>294</b>	<b>288</b>

## ► 6.3 - IMPAIRMENT OF GOODWILL

The primary criteria used in preparing impairment tests are described in note 8.

## 7 – PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of euros</i>	<b>31.12.2014</b>	Purchases	Divestitures	Change in scope & other	Currency translation differences	<b>Gross amount 31.12.2015</b>
Land	26,026	3,022	-442	129	350	29,085
Buildings	140,242	2,295	-1,307	2,636	3,677	147,543
Plant and equipment	148,784	5,536	-3,706	5,309	3,769	159,692
Other tangible assets	61,647	13,462	-1,634	-6,715	937	67,698
Tangible assets in process	3,988	7,306		-6,289	462	5,466
<b>Total</b>	<b>380,688</b>	<b>31,622</b>	<b>-7,089</b>	<b>-4,930</b>	<b>9,195</b>	<b>409,485</b>

<i>In thousands of euros</i>	<b>31.12.2014</b>	Increases	Decreases	Change in scope & other	Currency translation differences	<b>Amortization and impairment 31.12.2015</b>
Land	-6,420	-568	232		-88	-6,844
Buildings	-74,149	-6,519	1,280		-1,382	-80,770
Plant and equipment	-125,459	-10,866	3,762	6	-2,930	-135,487
Other tangible assets	-44,357	-6,355	1,424	4,071	-735	-45,952
Tangible assets in process						
<b>Total</b>	<b>-250,385</b>	<b>-24,308</b>	<b>6,698</b>	<b>4,077</b>	<b>-5,135</b>	<b>-269,053</b>

<i>In thousands of euros</i>	<b>31.12.2014</b>	<b>Net amount 31.12.2015</b>
Land	19,606	22,241
Buildings	66,093	66,773
Plant and equipment	23,325	24,206
Other tangible assets	17,291	21,746
Tangible assets in process	3,988	5,466
<b>Total</b>	<b>130,303</b>	<b>140,432</b>

Investments in 2015 increased to €31.6 million compared to €23.6 million in 2014. They included €5.3 million for land and infrastructure, €12.8 million for tooling, €9.8 million in the rental fleet equipment and €3.7 million for other projects.

## 8 – IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Group performed impairment tests that did not lead to additional write-offs for impairment nor the reversal of impairment at December 31, 2015.

### IMPAIRMENT TESTING OF THE CGU “COMPACT EQUIPMENT”

The net value of the Cash Generating Unit “Compact Equipment” at December 31, 2015 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 asset concerned, they were maintained at their fair value. In assessing the fair value of tangible assets, the group places reliance upon internal estimates (budget and 5 year plan) and external estimates.

As described in note 1.10, the most probable cash flows were determined using an average cost of capital of 8.63% in 2015 versus 9.27% in 2014. The extrapolation of forecasts projected from the last year to infinity is determined by applying a growth rate of 1%. That rate is the same as the rate used in the prior period.

The main assumptions used for determining the weighted average cost of capital are the following:

	31.12.2015	31.12.2014
Risk free rate	1.00%	1.03%
Risk premium	7.65%	7.50%
Targeted tax rate	38.0%	38.0%
Pre-tax cost of debt	Euribor 6M + 200bps	Euribor 6M + 200bps

The cash flow calculated on that basis amounted to €127.7 million, very close to 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:

<i>In millions of euros</i>	Impact on cash flows (millions of euros)
Discount rate on cash flow +0.5%	-11.3
Perpetual growth rate -0.5%	+3.8
Rate used on ending value of operating income -0.5%	-10.1

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.

## 9 – INVESTMENTS IN AFFILIATES

### ► 9.1 - CHANGES IN INVESTMENTS IN AFFILIATES

<i>In thousands of euros</i>	31.12.2014	Share of net income	Dividends	Increases in capital	Monetary inc.	31.12.2015
Manitou Finance France SAS	16,621	923	-4,410			13,134
Manitou Finance Ltd.	5,140	1,920		2,889	343	10,291
Algomat	154				-20	134
Hangzhou Manitou Machinery Equipment	1,579	-120			108	1,567
<b>Total</b>	<b>23,495</b>	<b>2,723</b>	<b>-4,410</b>	<b>2,889</b>	<b>430</b>	<b>25,126</b>

### ► 9.2 - SHARE OF INCOME AND EQUITY IN AFFILIATES

<i>In thousands of euros</i>	Income		Shareholders' equity	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Manitou Finance France SAS	923	1,022	563	4,050
Manitou Finance Ltd.	1,920	1,049	5,418	3,155
Algomat	0	0	136	156
Hangzhou Manitou Machinery Equipment	-120	-422	315	327
<b>Total</b>	<b>2,723</b>	<b>1,649</b>	<b>6,432</b>	<b>7,689</b>

### ► 9.3 - BREAKDOWN OF KEY INDICATORS BY COMPANY

<i>In thousands of euros</i>	Activity	Sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	5,595	1,883	131,245	26,804	49%
Manitou Finance Ltd.	Financing	8,857	3,918	220,771	21,003	49%
Hangzhou Manitou Machinery Equipment	Production	3,437	-239	4,449	3,134	50%

<i>In thousands of euros</i>	Activity	Sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	5,207	2,086	134,985	33,920	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%

## 10 – FINANCIAL INSTRUMENTS

### ► 10.1 - RECONCILIATION OF BALANCE SHEET LINE ITEMS - ASSETS

31.12.2015

<i>In thousands of euros</i>		Financial assets available for sale	Loans and receivables	Financial assets at fair value through the income statement	Total balance
Non-current financial assets	Note 10.3	3,907	0	3,246	7,153
Short-term financial assets	Note 10.4		47	1,219	1,265
Cash and cash equivalents	Note 10.5			57,299	57,299
Receivables on financing granted to end customers - non-current portion	Note 13		2,446		2,446
Other non-current assets			286		286
Accounts receivables	Note 12		266,192		266,192
Receivables on financing granted to end customers - current portion	Note 13		1,150		1,150
Other current receivables	Note 15		21,365		21,365
<b>Total</b>		<b>3,907</b>	<b>291,487</b>	<b>61,763</b>	<b>357,157</b>

31.12.2014

<i>In thousands of euros</i>		Financial assets available for sale	Loans and receivables	Financial assets at fair value through the income statement	Total balance
Non-current financial assets	Note 10.3	3,716		2,656	6,372
Short-term financial assets	Note 10.4		64	777	841
Cash and cash equivalents	Note 10.5			22,930	22,930
Receivables on financing granted to end customers - non-current portion	Note 13		1,917		1,917
Other non-current assets			253		253
Accounts receivable	Note 12		238,665		238,665
Receivables on financing granted to end customers - current portion	Note 13		1,877		1,877
Other current receivables	Note 15		21,195		21,195
<b>Total</b>		<b>3,716</b>	<b>263,971</b>	<b>26,363</b>	<b>294,050</b>

Financial assets are valued using internal valuation methods (level 2) (see note 1.14) with the exception of certain cash equivalents (note 10.5) which are valued at their market price on an active market (level 1).

### ► 10.2 – TRANSFERS OF FINANCIAL ASSETS

Transfers of receivables with limited were made until 2011 and 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 balances of those assets at December 31, 2015 follows:

<i>In thousands of euros</i>	Receivables sold initially	Receivable balances 31.12.2015	Associated debt at 31.12.2015
2010 transfers	4,417	10	-11
<b>Total</b>	<b>4,417</b>	<b>10</b>	<b>-11</b>

### ► 10.3 - NON-CURRENT FINANCIAL ASSETS

<i>In thousands of euros</i>	31.12.2014	Change	Fair value	Recycled	Currency translation differences	Changes in scope & other	31.12.2015
Securities available for sale							
- Other	3,716	-179	3		377	-10	3,907
Derivatives							
Non-current financial assets	2,656	1,002		-738	306	20	3,246
<b>Total</b>	<b>6,372</b>	<b>823</b>	<b>3</b>	<b>-738</b>	<b>683</b>	<b>10</b>	<b>7,153</b>

## ► 10.4 - CURRENT FINANCIAL ASSETS

Marketable securities were valued at their fair value at the closing date:

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>Net amount 31.12.2014</b>
Derivatives	559	0
Fair value reported through the income statement	2	1
Loans and pre-payments	47	64
Misc.	658	776
<b>Total</b>	<b>1,265</b>	<b>841</b>

## ► 10.5 - CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>Net amount 31.12.2014</b>
Cash & cash equivalents	13,423	22,761
Term deposits and other	475	20
Money market instruments and other	43,400	149
<b>Total</b>	<b>57,299</b>	<b>22,930</b>

## ► 10.6 - RECONCILIATION OF BALANCE SHEET LINE ITEMS – LIABILITIES

The various categories of liabilities at the closing date are shown below. They are described in note 10.7 below.

<i>In thousands of euros</i>		<b>31.12.2015</b>	<b>31.12.2014</b>
Non-current financial liabilities	Note 10.7	105,618	95,332
Other non-current liabilities		1,197	12,896
Current financial liabilities	Note 10.7	19,048	25,967
Supplier accounts	Note 19	180,054	174,225
Other current liabilities	Note 19	87,018	81,915
<b>Total</b>		<b>392,935</b>	<b>390,335</b>

Financial liabilities are valued using internal valuation methods (level 2) (see note 1.14).

As at December 2014, the «Other non current liabilities» included €11.8 million of long term supplier credit related to the purchase of «prior generation» engines that will be used in the production process until 2016. That debt is settled at the rate that the engines are used in the production cycle. As at December 2015, the remaining portion of the «pre-buy» contract is recorded in supplier accounts payable in the amount of €11.8 million.

The reasons for maintaining these «prior generation» engines in inventory are:

- 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 dispose of additional time to spread out the work of integrating the new engines into the equipment and provide ourselves a contingency buffer for developmental delays from upstream engine manufacturers,
- To ensure the highest level of reliability in the engines at the engine manufacturers.

## ► 10.7 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The valuation and accounting principles are described in note 1.13.

<i>In thousands of euros</i>		<b>Current 31.12.2015</b>	<b>31.12.2014</b>
Short-term financing and bank overdrafts		3,494	11,050
Bank loans		6,426	5,938
Financing lease liabilities		1,143	1,353
Liabilities related to securitization program with recourse	Note 13	11	343
Derivative liabilities - currency and interest rates		819	1,849
Other borrowings		6,447	4,861
<b>Total</b>		<b>18,340</b>	<b>25,394</b>
Shareholder agreements and stock option plan liabilities (cash-settled)		708	573
<b>Total</b>		<b>19,048</b>	<b>25,967</b>



<i>In thousands of euros</i>		<b>Non-current</b>			
		<b>31.12.2015</b>	One to five years	Over five years	<b>31.12.2014</b>
Bank loans		59,158	59,158		74,249
Financing lease liabilities		2,440	2,440		1,799
Liabilities related to securitization program with recourse	Note 13	3	3		96
Liabilities related to interest rate derivatives					
Bonds		44,017	19,238	24,779	19,171
Other borrowings					16
<b>Total</b>		<b>105,618</b>	<b>80,839</b>	<b>24,779</b>	<b>95,332</b>
Shareholder agreements and stock option plan liabilities (cash-settled)					
<b>Total</b>		<b>105,618</b>	<b>80,839</b>	<b>24,779</b>	<b>95,332</b>

The group ensures the majority of its financing needs through bank financing (medium term loans or bank overdrafts). Nevertheless, in 2012 it began to diversify by issuing two bonds in 2012 and 2013. A new private bond issue

of €25 million was issued in 2015, bringing the disintermediated debt to a total of €44 million at December 31, 2015. The bank financing contract of the parent company was renewed on June 27, 2013 for a period of 5 years.

## 10.7.1 - CHARACTERISTICS OF THE MAIN BANK LOANS

<i>In thousands of euros</i>					
		<b>31.12.2015</b>			
		Current	Non-current	Currency	Maturity
Capex Facility			30,000	EUR	Q2/2018
BPI (1)			2,990	EUR	Q2/2021
BPI (2)			2,991	EUR	Q2/2024
Facility A	5,838		11,675	EUR	Q2/2018
Facility B			11,502	EUR	Q2/2018
Limited recourse sales	11		3	USD	variable

<i>In thousands of euros</i>					
		<b>31.12.2014</b>			
		Current	Non-current	Currency	Maturity
Capex Facility			15,000	EUR	Q2/2018
BPI (1)		9	2,988	EUR	Q2/2021
BPI (2)		6	2,988	EUR	Q2/2024
Facility A	5,794		17,383	EUR	Q2/2018
Facility B			35,890	EUR	Q2/2018
Limited recourse sales	343		96	USD	variable

The financing put in place in 2013 for a period of 5 years is structured as follows:

- One line for €30 million payable over a 5-year period;
- One line for €50 million payable at maturity (1);
- One multi-currency line for €30 million which may be used during two years and payable over a 3-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.

(1) Line partially repaid in advance following the introduction of the new bond issue for €25 million.

<b>Facility</b>	<b>Signatory</b>	<b>Main contractual clauses H2 2013 to H1 2018</b>
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

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

## 10.7.2 - CHARACTERISTICS OF BONDS

<i>In thousands of euros</i>	<b>31.12.2015</b>		Currency	Maturity	Effective rate
	Current	Non-current			
Bonds 2012 - 2018		6,907	EUR	Q4/2018	5,95%
Bonds 2013 - 2019		12,331	EUR	Q4/2019	5,35%
Bonds 2015 - 2022		24,779	EUR	Q2/2022	4,00%

The bonds are reimbursable at maturity during the 4th quarter of 2018, the 4th quarter of 2019 and the 2nd quarter of 2022, respectively.

## 10.7.3 - BORROWINGS OUTSTANDING VIS-A-VIS FINANCIAL INSTITUTIONS

The portion of borrowings outstanding vis-à-vis financial institutions can be broken down as follows:

<i>In thousands of euros</i>	<b>31.12.2015</b>		<b>31.12.2014</b>	
	Outstanding authorized	Outstanding used	Outstanding authorized	Outstanding used
Short-term financing and bank overdrafts	44,000	3,494	44,000	11,050
Financing lease borrowings	3,583	3,583	3,152	3,152
<b>Other bank loans</b>				
- Amortizable term loans	66,000	64,995	97,700	82,698
- Revolving credits	110,000	-	110,000	-

## ► 10.8 - DERIVATIVES

In order to ensure a limit on interest expense, the group has set up a direct link between new financing contracts and interest rate caps and swaps. Those derivatives are designated as hedges of future cash flows. They were considered to be highly effective at December 31, 2015.

The characteristics of the caps and swaps at December 31, 2015 were as follows:

<b>CAP</b>		<b>31.12.2015</b>	Nominal	Fair value at 31.12.2015
<i>In thousands of euros</i>		Average cap rate		
Less than one year	Q3 2016	0,118%	25	0
1 to 2 years	Q2 2017	0,270%	25	0

<b>SWAP</b>		<b>31.12.2015</b>	Nominal	Fair value at 31.12.2015
<i>In thousands of euros</i>		Average swap rate		
Less than one year	Q2 2016	0,475%	25	-121
1 to 2 years	Q2 2017 and Q2 2018	0,404%	50	-228

At December 31, 2015, the group also held forward sales contracts to hedge future cash flows of British sterling, Australian dollars, Polish zloty and South African rand denominated in euros in the amount of €57 million.

These hedges were considered efficient in the spirit of IFRS. The change in the fair value of these instruments is therefore recorded as a liability of €0.1 million with €0.6 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.

## ► 10.9 - 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, 2015 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.

31.12.2015

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%	BRL/EUR +5%
<b>EUR</b>								
Receivables (AUD, GBP, USD, ZAR, PLN)	773	781	434	186	0	161	0	22
Debt (GBP, USD, PLN)	0	-175	-46	0	0	-5	0	0
Cash and cash equivalents (AUD, GBP, USD, PLN, RUB)	527	549	229	0	0	95	38	0
Subtotal	1,299	1,154	617	186	0	251	38	22
<b>AUD</b>								
Receivables (EUR)	-27							
Debt (EUR)	1							
Cash and cash equivalents (EUR)	-4							
Subtotal	-30							
<b>GBP</b>								
Receivables (EUR)		0						
Debt (EUR)		0						
Cash and cash equivalents (EUR)		-2						
Subtotal		-2						
<b>USD</b>								
Receivables (EUR)			-344					
Debt (EUR)			78					
Cash and cash equivalents (EUR)			-2					
Subtotal			-268					
<b>ZAR</b>								
Receivables (EUR)				0				
Debt (EUR)				0				
Cash and cash equivalents (EUR)				0				
Subtotal				0				
<b>SGD</b>								
Receivables (EUR)					-109			
Debt (EUR)					176			
Cash and cash equivalents (EUR)					0			
Subtotal					67			
<b>RUB</b>								
Receivables (EUR)							-39	
Debt (EUR)							307	
Cash and cash equivalents (EUR)							-21	
Subtotal							247	
<b>BRL</b>								
Receivables (EUR)								
Debt (EUR)								148
Cash and cash equivalents (EUR)								
Subtotal								148
<b>Total</b>	<b>1,270</b>	<b>1,153</b>	<b>349</b>	<b>186</b>	<b>67</b>	<b>251</b>	<b>285</b>	<b>170</b>

## ► 10.10 - FINANCIAL RISK MANAGEMENT

Information relating to financial risk management is provided in paragraph 3.1 of the management report.

## 11 – INVENTORIES

					Gross amount
In thousands of euros	31.12.2014	Changes in scope and reclassifications	Changes	Currency translation differences	31.12.2015
Raw materials	174,391	-201	-34,350	4,366	144,206
WIP	23,510	51	1,852	383	25,796
Finished products	154,138	696	-21,830	2,317	135,320
Merchandise	79,873	243	9,168	1,930	91,214
<b>Total</b>	<b>431,912</b>	<b>788</b>	<b>-45,159</b>	<b>8,996</b>	<b>396,537</b>

					<b>Provisions</b>
<i>In thousands of euros</i>	<b>31.12.2014</b>	Changes in scope and reclassifications	Changes	Currency translation differences	<b>31.12.2015</b>
Raw materials	-6,685		331	-126	-6,480
WIP					
Finished products	-2,346	67	-62	-82	-2,422
Merchandise	-9,567		-830	-115	-10,513
<b>Total</b>	<b>-18,598</b>	<b>67</b>	<b>-561</b>	<b>-323</b>	<b>-19,415</b>

					<b>Net amount</b>
<i>In thousands of euros</i>	<b>31.12.2014</b>	Changes in scope and reclassifications	Changes	Currency translation differences	<b>31.12.2015</b>
Raw materials	167,706	-201	-34,018	4,240	137,726
WIP	23,510	51	1,852	383	25,796
Finished products	151,792	763	-21,892	2,235	132,898
Merchandise	70,306	243	8,338	1,815	80,701
<b>Total</b>	<b>413,313</b>	<b>856</b>	<b>-45,720</b>	<b>8,673</b>	<b>377,122</b>

The reclassifications primarily relate to leased equipment capitalized which are transferred to inventory at the end of the lease to be sold as used equipment.

## 12 – ACCOUNTS RECEIVABLE

<i>In thousands of euros</i>	<b>31.12.2014</b>	Changes in scope and reclassifications	Changes	Currency translation differences	<b>31.12.2015</b>
<b>Current</b>					
Accounts receivable - gross	248,994		15,878	10,111	274,983
Accounts receivable - allowances Note 14	-10,330		2,139	-600	-8,791
<b>Accounts receivable - net</b>	<b>238,665</b>		<b>18,017</b>	<b>9,511</b>	<b>266,192</b>
<b>Non-current</b>					
Accounts receivable - gross					
Accounts receivable - allowances Note 14					
<b>Accounts receivable - net</b>					
<b>Total</b>	<b>238,665</b>		<b>18,017</b>	<b>9,511</b>	<b>266,192</b>

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 receivable are included in the line item «Increases in provisions» in the income statement.

Losses related to the write-off of customer receivables amounted to €2.3 million for the full-year 2015 period and were reported as «sales, marketing and service expenses» in the income statement. Those losses were partially offset by the reversal of depreciation recorded on the same line.

## 13 – RECEIVABLES ON SALES FINANCING

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.

<i>In thousands of euros</i>	31.12.2014	Changes in scope & other	Changes	Currency translation differences	31.12.2015
<b>Gross</b>					
Receivables on financing leases	3,020		1,042	-625	3,436
Receivables on financing granted to end-use customers	3,682		-1,383	398	2,697
<b>Receivables on sales financing - Gross</b>	<b>6,702</b>		<b>-341</b>	<b>-227</b>	<b>6,133</b>
<b>Impairment</b>					
Receivables on financing leases	Note 14				
Receivables on financing granted to end-use customers	Note 14	-2,908	692	-322	-2,537
<b>Receivables on sales financing - Impairment</b>		<b>-2,908</b>	<b>692</b>	<b>-322</b>	<b>-2,537</b>
<b>Net</b>					
Receivables on financing leases		3,020	1,042	-625	3,436
Receivables on financing granted to end-use customers		774	-690	76	160
<b>Receivables on sales financing - Net</b>		<b>3,794</b>	<b>351</b>	<b>-549</b>	<b>3,596</b>
<b>Of which</b>					
Non-current portion		1,917	971	-441	2,446
Current portion		1,877	-619	-108	1,150

Financing to end customers are mainly related to Manitou Americas and includes receivables sold with limited recourse (at gross value) which remain on the balance sheet (see note 10.2).

At December 31, 2015, 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 partially defined based on the amounts and partially based on late payments).

In addition, an allowance for uncollectable receivables is calculated based on historical statistical data for customers not analyzed on a one-by-one basis.

Losses recorded in the 2015 period related to the financing granted to end customer receivables amounted to €0.4 million and were partially covered by the reversal of provisions for impairment.

An aging of the non-current receivables related to sales financing follows:

<i>In thousands of euros</i>	31.12.2015	1 to 2 years	3 to 5 years	Over 5 years
Receivables on financing leases - Net	2,418	1,810	608	
Receivables on financing granted to end customers - Net	28	28		
<b>Receivables on financing granted to end customers - non-current portion</b>	<b>2,446</b>	<b>1,838</b>	<b>608</b>	

## 14 – FINANCIAL ASSETS – ANALYSIS OF OVERDUE RECEIVABLES AND WRITE-OFFS FOR IMPAIRMENT

### ► 14.1 - ANALYSIS OF OVERDUE RECEIVABLES AND RELATED PROVISIONS FOR IMPAIRMENT

<i>In thousands of euros</i>	Not due	< 30 days overdue	31 – 90 days overdue	91 – 120 days overdue	> 120 days overdue	31.12.2015 Total
Accounts receivable	243,512	12,919	7,498	1,437	9,617	274,983
Provisions for impairment on accounts receivables	-696	-54	-108	-172	-7,761	-8,791
<b>Accounts receivable - Net</b>	<b>242,817</b>	<b>12,866</b>	<b>7,389</b>	<b>1,265</b>	<b>1,856</b>	<b>266,192</b>
Receivables on financing granted to end customers	13	73	1	1	2,124	2,212
Receivables on financing granted to end customers	-6	-70			-2,005	-2,080
<b>Receivables on financing granted to end customers - Net</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>118</b>	<b>131</b>
Receivables on financing leases	1,018					1,018
Impairment on financing leases						
<b>Receivables on financing leases - Net</b>	<b>1,018</b>					<b>1,018</b>
<b>Total</b>	<b>243,842</b>	<b>12,869</b>	<b>7,390</b>	<b>1,266</b>	<b>1,975</b>	<b>267,342</b>

### ► 14.2 - CHANGES IN WRITE-OFFS FOR IMPAIRMENT ON FINANCIAL ASSETS

<i>In thousands of euros</i>	31.12.2014	Increases	Applied	Reversals	Reclassifications & others	Currency translation differences	31.12.2015
Provisions for impairment on accounts receivables	-10,330	-1,788	1,710	2,218		-600	-8,791
Receivables on financing granted to end customers	-2,908		459	233		-322	-2,537
Of which							
- Current	-2,384		376	191		-264	-2,080
- Non-current	-524		83	42		-58	-457
Impairment on financing leases							



## 15 – OTHER CURRENT RECEIVABLES

<i>In thousands of euros</i>	<b>31.12.2014</b>	Changes in scope & other	Changes	Currency translation differences	<b>31.12.2015</b>
Tax and social receivables	9,718		-2,457	-63	<b>7,198</b>
Other receivables	3,147		3,565	-18	<b>6,694</b>
Advances and prepayments on orders	1,595		-9	-71	<b>1,515</b>
Prepaid expenses	6,735		-988	211	<b>5,959</b>
<b>Total</b>	<b>21,195</b>		<b>112</b>	<b>59</b>	<b>21,365</b>

## 16 – SHAREHOLDERS' EQUITY

### ► 16.1 - SHARE CAPITAL

The share capital consisted of 39,551,949 shares at December 31, 2015.

### ► 16.2 - PROPOSED DIVIDEND DISTRIBUTION

The Board of directors will propose at the shareholder's meeting holding June 9th, 2016, the distribution of a dividend of €0.36 per share.

### ► 16.3 - TREASURY SHARES

<i>Number of shares:</i>	<b>Realized at 31.12.2014</b>	% of capital	<b>Realized at 31.12.2015</b>	% of capital
<b>Held at opening (share repurchase program)</b>	<b>278,000</b>		<b>267,198</b>	
Shares purchased (Shareholders' Meeting of June 1, 2006)				
Shares sold	-10,802			
Stock options exercised				
<b>Held at closing (share repurchase program)</b>	<b>267,198</b>	0,68%	<b>267,198</b>	0,68%
Stock option coverage				
Liquidity contract	34,035		40,114	
<b>Total treasury shares held</b>	<b>301,233</b>	0,76%	<b>307,312</b>	0,78%

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.

### ► 16.4 - STOCK PURCHASE OPTIONS FOR CERTAIN EMPLOYEES

No new plan was awarded for the year 2015.

#### 16.4.1 - CHARACTERISTICS OF EXISTING PLANS

The main characteristics of stock option plans for certain employees and bonus shares are as follows:

<b>Purchase options</b>				Number of beneficiaries (origin)	Average exercise price (in €)	<b>Number of shares per plan</b>
<i>Characteristics</i>	Type of plan	Maturity date	Expiry date			
Plan of 19.05.2010	Subscription	20.05.2014	19.05.2018	43	13,60	314,200
<b>Total options granted</b>						<b>314,200</b>
Options eliminated - cancelled						-182,550
Options exercised						-4,125
<b>Total options remaining valid</b>						<b>127,525</b>
<b>Total shares held</b>						<b>267,198</b>

## Bonus shares

Characteristics	Type of plan	Maturity date	Expiry date	Number of beneficiaries (origin)	Number of shares per plan
Plan of 28.06.2012	Bonus shares	28.06.2012	28.06.2016	151	82,350
<b>Total shares granted</b>					<b>82,350</b>

### 16.4.2 - CHANGES IN THE NUMBER OF VALID OPTIONS

In units	Options outstanding at 31/12/2014	Options granted	Options exercised	Options cancelled	Options outstanding at 31.12.2015
Plan of 26.04.2007	30,500			-30,500	0
Plan of 10.10.2007	16,500			-16,500	0
Plan of 19.05.2010	130,525		-3,000		127,525
Plan of 26.07.2011	34,545			-34,545	0
<b>Total</b>	<b>212,070</b>		<b>-3,000</b>	<b>-81,545</b>	<b>127,525</b>
Weighted average price in the period					

### 16.4.3 - CHANGES IN THE NUMBER OF FREE SHARES GRANTED

In units	Shares outstanding at 31.12.2014	Shares granted	Shares cancelled/not purchased	Shares outstanding at 31.12.2015
Plan of 28.06.2012	44,242		-25,159	19,083
<b>Total</b>	<b>44,242</b>		<b>-25,159</b>	<b>19,083</b>

### 16.4.4 - VALUATION OF PLANS

In accordance with the principles set out in note 1.17, at December 31, 2015 the bonus share plans were valued at their fair value at the grant date.

In thousands of euros	2012 plan	2011 plan	Total
Initial value (after deduction of cancelled shares)	399	807	<b>1,206</b>
2015 cost	-54	-13	<b>-67</b>

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 are as follows:

- Price set by the plan's rules, or the average of the opening share price of Manitou shares over the last 20 days preceding the date granted, discounted by 5%.
- Historical volatility of Manitou shares over three years for all plans;

- The average dividend payout rate over the three years preceding the granting of each plan;
- Estimated life of the option: 5 years;
- Risk free rate for the life of the option, measured at the grant date of each plan;
- The vesting period is 4 years for all existing plans.

## 17 – PROVISIONS

### ► 17.1 - BREAKDOWN OF PROVISIONS

In thousands of euros		31.12.2015	Of which, less than one year	Of which, greater than one year
Warranty provisions		19,241	14,079	5,162
Provisions for other risks		10,264	7,428	2,836
		29,505	21,508	7,998
Post-employment benefits	Note 18	43,159	262	42,897
<b>Total</b>		<b>72,664</b>	<b>21,770</b>	<b>50,894</b>

	<b>31.12.2014</b>	Of which, less than one year	Of which, greater than one year
Provisions - Excluding post-employment benefits			
Warranty provisions	20,692	15,375	5,318
Provisions for other risks	7,781	4,332	3,449
	<b>28,474</b>	<b>19,707</b>	<b>8,767</b>
Post-employment benefits	Note 18	238	42,923
<b>Total</b>	<b>71,635</b>	<b>19,945</b>	<b>51,690</b>

## ► 17.2 - CHANGES IN PROVISIONS – EXCLUDING POST-EMPLOYMENT BENEFITS

<i>In thousands of euros</i>	<b>31.12.2014</b>	Increases	Provisions applied	Provisions reversed (unused)	Changes in scope and reclassifications	Currency translation differences	<b>31.12.2015</b>
Warranty provisions	20,692	8,267	-8,738	-1,512	0	531	19,241
Provision for other risks	7,781	5,019	-1,556	-669	-797	486	10,264
<b>Total</b>	<b>28,474</b>	<b>13,286</b>	<b>-10,294</b>	<b>-2,180</b>	<b>-797</b>	<b>1,017</b>	<b>29,505</b>

### 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.

The change in risk provisions was mainly due to the recognition of a charge relating to commercial disputes (see note 3).

## 18 – POST-EMPLOYMENT BENEFITS

### ► 18.1 - 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: A «qualified» post-employment benefit plan which was closed to new participants as of May 1, 2005 and frozen in terms of the acquisition of rights for all participants at 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 equity investments (60%) with and the remainder in fixed income securities. That strategy's objective is to grow plan assets faster than bonds and to fund the minimum contribution in accordance with U.S. law (ERISA and «Internal Revenue Code»).

#### USA – SERP

- Description: A «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 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 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 benefits depending on the effective date of departure from the company of employees hired before 2007.

– Investment strategy: no assets.

## ► 18.2 - VALUATION

### 18.2.1 - KEY ACTUARIAL ASSUMPTIONS RETAINED

	France	United Kingdom	Italy	31.12.2015 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	2,25%	3,80%	2,25%	4,05%

	France	United Kingdom	Italy	31.12.2014 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%

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)	1,857	165
United Kingdom	726	n/a
United States	3,140	11
<b>Total</b>	<b>5,723</b>	<b>176</b>

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, 2015, 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 €1.7 million which was reported in the other components of comprehensive income in the after tax amount of €1.1 million.

The rate used to discount obligations is determined by reference to market yields at the balance sheet date based on top quality corporate bonds.

The healthcare inflation rate used was 7.25% at December 31, 2015. A 1% change in healthcare inflation would have zero impact on the actuarial liability (DBO) and €96 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 social charges taken into account when assessing the commitment in 2015 is between 45 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.

### 18.2.2 - BREAKDOWN OF PLAN ASSETS (AS A %)

The breakdown of plan assets at December 31, 2015 is as follows:

	France	United Kingdom	31.12.2015 United States
Equity shares	11,00%		52,20%
Bonds	80,60%	50,85%	27,60%
Other	8,40%	49,15%	20,20%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>

	France	United Kingdom	31.12.2014 United States
Equity shares	15,00%	49,82%	58,85%
Bonds	80,00%	49,97%	28,10%
Other	5,00%	0,21%	13,05%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>

### 18.2.3 - RECONCILIATION OF BALANCE SHEET ITEMS

The provision can be broken down by country as follows:

						31.12.2015
<i>In thousands of euros</i>	France Retirement indemnities	France Other	United Kingdom	United States	Other	Total
Present value of liability	19,827	959	17,141	60,237	969	99,132
Fair value of financial assets	5,632		17,204	33,201		56,037
Net assets (provisions) recognized in balance sheet	-14,195	-959	64	-27,036	-969	<b>-43,095</b>
Of which:						
					Provisions	-43,159
					Assets	64
						31.12.2014
<i>In thousands of euros</i>	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
Net assets (provisions) recognized in balance sheet	-14,379	-953	-10	-26,755	-1,064	<b>-43,161</b>
Of which:						
					Provisions	-43,161
					Assets	0

### 18.2.4 - TRENDS IN COMMITMENTS AND PLAN ASSETS DURING THE YEAR

						31.12.2015
<i>In thousands of euros</i>		France	United Kingdom	United States	Other	Total
<b>Commitment</b>						
	Beginning of period	21,686	15,591	58,309	1,064	96,651
Service costs		1,631	430	117	-32	2,146
Discounting		500	613	2,322	21	3,456
Benefits paid		-950	-409	-4,331	-28	-5,718
Actuarial differences recognized in income statement						0
Liquidation/reduction and other						0
Past service costs						0
Additions to scope						0
Actuarial losses (Gains) – experience and demographic assumptions		-1,599	613	-1,816	-37	-2,839
Actuarial losses (Gains) – financial assumptions		-482	-715	-1,575	-19	-2,791
Other costs			69	582		651
Currency translation differences			948	6,627		7,576
	End of period	20,786	17,141	60,237	969	<b>99,132</b>
<b>Plan assets</b>						
	Beginning of period	6,354	15,584	31,552		53,490
Employer contributions			1,287	3,860		5,147
Benefits paid		-904	-409	-4,150		-5,463
Expected return on plan assets		136	637	1,304		2,077
Difference - Expected return / Actual return on assets		46	-840	-2,963		-3,758
Additions to scope						
Liquidations						
Other						
Currency translation differences			947	3,597		4,544
	End of period	5,632	17,204	33,201		<b>56,037</b>
<b>Reconciliation of provision</b>						
	Beginning of period	-15,332	-8	-26,757	-1,064	-43,161
Expense for the year		-1,995	-476	-1,717	11	-4,177
Employer contribution			1,287	3,860		5,147
Benefits paid		46		181	28	255
SORIE		2,127	-738	427	56	1,872
Additions to scope						0
Other						
Currency translation differences			-1	-3,030		-3,032
	End of period	-15,154	64	-27,036	-969	<b>-43,095</b>



# CONSOLIDATED FINANCIAL STATEMENTS

<i>In thousands of euros</i>						<b>31.12.2014</b>
		France	United Kingdom	United States	Other	Total
<b>Commitment</b>						
	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						
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			62	340		402
Currency translation differences			950	6,710		7,660
	End of period	21,686	15,591	58,309	1,064	<b>96,651</b>
<b>Plan assets</b>						
	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						
Other						4,750
Currency translation differences			953	3,797		
	End of period	6,354	15,584	31,552		<b>53,490</b>
<b>Reconciliation of provision</b>						
	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						
Other						
Currency translation differences			3	-2,913		-2,910
	End of period	-15,332	-8	-26,757	-1,064	<b>-43,161</b>

## 18.2.5 - BREAKDOWN OF THE PERIOD EXPENSE

<b>IAS 19 revised</b>						<b>31.12.2015</b>
<i>In thousands of euros</i>		France	United Kingdom	United States	Other	Total
<b>Methodological adjustments</b>						
Service costs		1,631	430	117	-32	2,146
Discounting		500	613	2,322	21	3,456
Expected return on plan assets		-136	-637	-1,304		-2,077
Losses/gains recognized						
Administrative expenses			69	582		651
Net expense		1,995	476	1,717	-11	<b>4,177</b>

<b>IAS 19 revised</b>						<b>31.12.2014</b>
<i>In thousands of euros</i>		France	United Kingdom	United States	Other	Total
<b>Methodological adjustments</b>						
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
Losses/gains recognized		64				64
Administrative expenses			62	340		402
Net expense		1,655	32	1,082	41	<b>2,810</b>

## 19 – OTHER CURRENT LIABILITIES

<i>In thousands of euros</i>	<b>31.12.2014</b>	Reclassifications	Changes	Currency translation differences	<b>31.12.2015</b>
<b>Supplier accounts payable and related</b>	174,225		3,068	2,761	180,054
Tax and social liabilities	55,835		1,964	607	58,406
Other operating liabilities	18,581	797	538	-444	19,473
Uninvoiced revenues	7,499		941	699	9,139
<b>Other debt</b>	81,915	797	3,443	862	87,018
<b>Total current liabilities</b>	<b>256,140</b>	<b>797</b>	<b>6,511</b>	<b>3,623</b>	<b>267,072</b>

## 20 – INCOME TAXES

### ► 20.1 - CHANGES IN BALANCE SHEET POSITION

<i>In thousands of euros</i>	<b>31.12.2014</b>	Results	Payment	Currency translation differences	Other (1)	<b>31.12.2015</b>
<b>Current taxes</b>						
Assets	10,293					<b>12,434</b>
Liabilities	4,491					<b>1,154</b>
<b>Total</b>	<b>5,803</b>	<b>-12,324</b>	<b>17,922</b>	<b>-120</b>		<b>11,488</b>
<b>Deferred taxes</b>						
Assets	26,639					<b>21,938</b>
Liabilities	130					<b>213</b>
<b>Total</b>	<b>26,509</b>	<b>-4,595</b>		<b>955</b>	<b>-1,143</b>	<b>21,725</b>

(1) Other changes in current and deferred taxes can be broken down as follows:

<i>In thousands of euros</i>	<b>2015</b>	<b>2014</b>
Deferred taxes recorded as consolidated reserves – SORIE	-730	4,720
Deferred taxes recorded as consolidated reserves – Interest rate hedging instrument	-331	603
Carry back receivable transferred		
Other	-82	81
<b>Total</b>	<b>-1,143</b>	<b>5,404</b>

### ► 20.2 - INCOME TAXES RECORDED IN THE INCOME STATEMENT

<i>In thousands of euros</i>	<b>2015</b>	<b>2014</b>
<b>Current taxes</b>	<b>-12,324</b>	<b>-12,626</b>
Deferred taxes for the period	-3,894	-1,272
Change in deferred tax rate	-456	-174
Impairment losses (-) and capitalization of unrecognized losses (+)	-245	4,497
<b>Total deferred taxes</b>	<b>-4,595</b>	<b>3,051</b>
<b>Total</b>	<b>-16,919</b>	<b>-9,575</b>

The income tax expense recorded in the income statement includes:

- The current tax expense corresponds 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 1.20.

## ► 20.3 - RECONCILIATION BETWEEN THE FRENCH LEGAL TAX RATE AND THE EFFECTIVE TAX RATE ON CONSOLIDATED INCOME

<i>In thousands of euros</i>	<b>2015</b>	<b>2014</b>
Income before taxes on fully consolidated companies	46,737	38,460
Legal tax rate in France	38,00%	38,00%
<b>Theoretical tax expense for the full-year period</b>	<b>-17,760</b>	<b>-14,615</b>
Other taxes	-2,130	-1,836
Impairment of assets		
Permanent differences	1,131	16
Increase / decrease in tax rates (current and deferred)	-456	-34
Tax loss carryforwards capitalized (Uncapitalized tax loss carryforwards)	-245	4,497
Differences in foreign tax rates and other	2,541	2,398
<b>Total - Income taxes</b>	<b>-16,919</b>	<b>-9,575</b>

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 33.33%, 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:

<i>In thousands of euros</i>	<b>2015</b>
Manitou Italia	677
Manitou UK	615
Manitou Deutschland	175
Manitou South Africa	136
Other countries	193
<b>Total</b>	<b>1,796</b>

## ► 20.4 - BASIS FOR DEFERRED TAXES

Deferred taxes recorded arose from the following temporary differences:

<i>In thousands of euros - Asset / (Liability)</i>	<b>Timing differences at 31.12.2015</b>	<b>Deferred taxes at 31.12.2015</b>	<b>Timing differences at 31.12.2014</b>	<b>Deferred taxes at 31.12.2014</b>
Intangible assets				
Tangible assets	-28,573	-9,806	-29,585	-10,266
Financing leases	-11,610	-2,725	-13,178	-4,125
Employee benefits	39,496	13,737	39,903	13,875
Provisions	26,204	8,904	22,170	7,639
Inventories and receivables	7,902	2,205	7,266	2,674
Misc.	7,085	1,472	7,504	2,546
<b>Subtotal</b>	<b>40,504</b>	<b>13,787</b>	<b>34,080</b>	<b>12,343</b>
Tax credits		0		0
Tax loss carryforwards		7,938*		14,166
<b>Total</b>		<b>21,725</b>		<b>26,509</b>

\* Of which, Manitou BF (€5.5 million) and Manitou Americas (€2.2 million).

The change in the tax loss carryforwards for the period was mainly related to the inclusion of losses from prior periods at Manitou BF in the income statement.

Thus, at December 31, 2015, Manitou BF reported a balance of tax loss carry forwards of €16.1 million after the imputation against income for the period. The tax loss carry forwards should be used over the next 3 or 4 full-year periods in accordance with the fiscal projections which permitted the capitalization of those losses.

## 21 – BREAKDOWN OF SALES BY NATURE, DIVISION AND REGION

### SALES BY NATURE AND DIVISION

<i>In thousands of euros</i>	Sales of goods	Sales of services	<b>31.12.2015</b>
MHA – Material Handling and Access	826,847		826,847
CEP – Compact Equipment Products	239,786		239,786
S&S – Services & Solutions	200,130	20,394	220,523
<b>Total</b>	<b>1,266,763</b>	<b>20,394</b>	<b>1,287,157</b>

<i>In thousands of euros</i>	Sales of goods	Sales of services	<b>31.12.2014</b>
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
<b>Total</b>	<b>1,229,106</b>	<b>17,350</b>	<b>1,246,456</b>

## SALES BY REGION

<i>In thousands of euros</i>	Sales of goods	Sales of services	<b>31.12.2015</b>
Southern Europe	357,266	12,459	369,725
Northern Europe	486,757	2,653	489,409
Americas	297,772	726	298,497
APAM	124,969	4,557	129,526
<b>Total</b>	<b>1,266,763</b>	<b>20,394</b>	<b>1,287,157</b>

<i>In thousands of euros</i>	Sales of goods	Sales of services	<b>31.12.2014</b>
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
<b>Total</b>	<b>1,229,106</b>	<b>17,350</b>	<b>1,246,456</b>

The Group's customer base is very dispersed, the largest customer representing no more than 1.7% of total sales.

## 22 – OTHER NON-RECURRING INCOME AND EXPENSES

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>31.12.2014</b>
Restructuring costs	-889	-1,602
Impairment of tangible and intangible assets	-257	-709
Disposals of assets	44	514
Net provisions for risks and charges	-2,256	-480
Other non-recurring income and expense	-16	-4
<b>Total</b>	<b>-3,374</b>	<b>-2,281</b>

In 2015, non-recurring income and expenses for the year mainly include a provision for risks following commercial litigation (see note 3) and the costs to finalize the implementation of the group's new organization.

In 2014, this item included expenses for restructuring and asset impairment following changes in the group's governance and the establishment of the new organization. Disposals of assets were related to the divestiture of the Pavers business in the United States.

## 23 – AUDITORS' FEES

<i>In thousands of euros</i>	DELOITTE & ASSOCIÉS				RSM Ouest & members of RSM International network				Other				Total	
	Amount		%		Amount	%			Amount	%			Amount	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Auditors</b>														
– Statutory audits, certification of individual and consolidated financial statements														
- issuer	182	163	31%	31%	182	163	50%	53%					364	326
- fully consolidated subsidiaries	403	365	69%	68%	159	136	44%	44%	11	10	100%	100%	573	511
– Other services directly associated with the statutory auditors' work														
- issuer														
- fully consolidated subsidiaries	2	6	1%	1%	23	11	13%	4%					25	17
<b>Subtotal</b>	<b>588</b>	<b>534</b>	<b>100%</b>	<b>100%</b>	<b>364</b>	<b>310</b>	<b>100%</b>	<b>100%</b>	<b>11</b>	<b>10</b>	<b>100%</b>		<b>962</b>	<b>854</b>
Other services rendered by the network for fully consolidated subsidiaries														
<b>Total</b>	<b>588</b>	<b>534</b>			<b>364</b>	<b>310</b>			<b>11</b>	<b>10</b>			<b>962</b>	<b>854</b>

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.

## 24 – EXPENSES FROM RECURRING OPERATIONS BY NATURE

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>31.12.2014</b>
Material purchases	-848,586	-830,525
Direct and indirect labor	-125,130	-123,415
Depreciation, amortization and impairment	-27,145	-26,085
Other	-83,169	-82,472
<b>Cost of goods and services sold</b>	<b>-1,084,030</b>	<b>-1,062,498</b>
External expenses	-51,516	-48,904
Personnel expense	-84,108	-75,185
Net depreciation / amortization expense (non-production)	-6,133	-5,695
Other	-847	-5,904
<b>Other expenses from recurring operations</b>	<b>-142,604</b>	<b>-135,688</b>
<b>Expenses from recurring operations by nature</b>	<b>-1,226,634</b>	<b>-1,198,186</b>

The net foreign exchange losses related to operating receivables and payables impacted material purchases in the amount of -€5.4 million compared to -€2.9 million at December 31, 2014.

## 25 – BREAKDOWN OF PERSONNEL EXPENSES

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>31.12.2014</b>
Salaries, bonuses and indemnities	-139,047	-130,294
Profit-sharing	-8,117	-8,228
Employee benefits	-5,395	-4,147
Social charges and payroll taxes	-50,898	-49,272
<b>Personnel expense excluding interim employees and re invoicing</b>	<b>-203,457</b>	<b>-191,941</b>
Interim & other	-7,251	-7,932
<b>Total</b>	<b>-210,708</b>	<b>-199,873</b>

## 26 – OTHER OPERATING INCOME AND EXPENSE

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>31.12.2014</b>
Disposals of assets	-14	183
Other income	1,226	1,181
Other expenses	-2,126	-2,077
Net increase in provisions	555	150
<b>Total</b>	<b>-358</b>	<b>-563</b>

Other operating income and expenses include product litigation, insurance reimbursements as well as income related to real estate investments.

## 27 – FINANCIAL INCOME / EXPENSE

<i>In thousands of euros</i>	<b>31.12.2015</b>	<b>31.12.2014</b>
Investment income	1,649	1,152
Interest rate swaps	2	17
Fair-value adjustment		
Exchange gains	9,220	2,758
Other financial income	294	292
<b>Total Financial income</b>	<b>11,166</b>	<b>4,219</b>
Interest expense on bank loans and lines of credit	-5,851	-5,396
Interest rate swaps	-150	-47
Currency exchange losses	-13,503	-4,749
Other financial expenses	-2,075	-1,555
<b>Financial expenses</b>	<b>-21,578</b>	<b>-11,747</b>
<b>Net financial income / expense</b>	<b>-10,412</b>	<b>-7,528</b>

The financial result for the period decreased due to the unfavorable trends in exchange rates.



## 28 – RESEARCH AND DEVELOPMENT EXPENSE

In accordance with IAS 38, all research expenses and the costs of studies and development other than those described in note 1.7 are expensed in the period in which they are incurred and represented a total of €20.6 million as compared to €22.7 million in 2014.

## 29 – OFF BALANCE SHEET COMMITMENTS

<i>In thousands of euros</i>	31.12.2015	31.12.2014
Sureties, deposits, collateral	5,520	7,322
Financial commitments (including forward sales)	56,558	89,530
Commitments to repurchase equipment (1)	1,692	3,429
Other commitments	30	30
<b>Total</b>	<b>63,800</b>	<b>100,311</b>

(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.

## 30 – RISK MANAGEMENT

The Manitou group's risk management policy is described in the «Risk Management» section of the Management Report.

## 31 – HEADCOUNT AT DECEMBER 31

	2015	2014
Manitou BF SA	1,771	1,798
Compagnie Française de Manutention	64	68
LMH Solutions	33	
Manitou Italia Srl.	261	256
Manitou Portugal SA	35	36
Manitou Manutencion Espana SL	12	10
<b>Southern Europe</b>	<b>2,175</b>	<b>2,168</b>
Manitou UK Ltd.	41	40
Manitou Benelux SA	20	19
Mile	6	8
Manitou Deutschland GmbH	30	23
Manitou Vostok	27	28
Manitou Polska	15	13
Manitou Nordics	5	4
<b>Northern Europe</b>	<b>144</b>	<b>135</b>
Manitou Americas	714	835
Manitou Do Brasil	12	8
<b>Americas</b>	<b>726</b>	<b>843</b>
Manitou Southern Africa PTY Ltd.	74	75
Manitou Australia PTY Ltd.	16	14
Manitou Asia PTE Ltd.	37	36
Manitou China	22	22
Manitou South Asia	15	12
Manitou Middle East	2	2
Manitou Malaysia MH	2	
<b>APAM</b>	<b>168</b>	<b>161</b>
<b>Group total</b>	<b>3,214</b>	<b>3,307</b>

## 32 – TRANSACTIONS WITH RELATED PARTIES

### ► 32.1 - TRANSACTIONS WITH GROUP COMPANIES CONSOLIDATED USING THE EQUITY METHOD

<i>In thousands of euros</i>	31.12.2015		31.12.2014	
	Expenses	Income	Expenses	Income
Manitou Finance France SAS	1,278	73	848	
Manitou Finance Ltd	1,475	133,987	1,489	112,088
Algomat		2,808		8,602
Hangzhou Manitou Machinery Equipment Co Ltd		198	154	349

► 32.2 - TRANSACTIONS WITH INDIVIDUALS

		2015 Balance at December 31, 2015	Purchase price		2014 Balance at December 31, 2014	Purchase price
<i>In thousands of euros</i>						
<b>Current accounts with associates</b>						
Marcel Braud	110	6,067		126	4,576	
Jacqueline Himsworth	2	148		2	64	
<b>Purchases of investment shares:</b>						
Not applicable						

► 32.3 - EXECUTIVE COMPENSATION AND OTHER BENEFITS

Total amount of compensation and benefits paid to corporate officers:

							2015 Balance sheet provisions for commitments
<i>In thousands of euros</i>							
	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	
Non-executive corporate officers	144	477					
Executive corporate officers		655		0	na		326
Executive Committee members who are not corporate officers	1,711			0	na		2,428

							2014 Balance sheet provisions for commitments
<i>In thousands of euros</i>							
	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	
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

## 33 – LIST OF SUBSIDIARIES AND AFFILIATES

**Parent company**

Manitou BF SA Ancenis, France

**integrated companies**

		Consolidation method	% control	% Interest
Manitou Americas Inc.	West Bend, Wisconsin, USA	FC	100%	100%
Gehl Power Products, Inc	Yankton, South Dakota, USA	FC	100%	100%
Manitou Brasil Manipulacao de Cargas Ltda.	São Paulo, Brazil	FC	100%	100%
Manitou Chile	Las Condes, Chile	FC	100%	100%
Compagnie Francaise de Manutention	Ancenis, France	FC	100%	100%
LMH Solutions SAS	Beaupréau-en-Mauges, France	FC	100%	100%
Manitou Italia Srl	Castelfranco Emilia, Italy	FC	100%	100%
Manitou UK Ltd.	Verwood, United Kingdom	FC	99,4%	99,4%
Manitou Benelux SA	Perwez, Belgium	FC	100%	100%
Manitou Interface and Logistics Europe	Perwez, Belgium	FC	100%	100%
Manitou Deutschland GmbH	Ober-Mörlen, Germany	FC	100%	100%
Manitou Portugal SA	Villa Franca, Portugal	FC	100%	100%
Manitou Manutencion Espana SI	Madrid, Spain	FC	100%	100%
Manitou Vostok LLC	Moscow, Russian Federation	FC	100%	100%
Manitou Polska Sp Z.o.o.	Raszyn, Poland	FC	100%	100%
Manitou Nordics Sia	Riga, Latvia	FC	100%	100%
Manitou Southern Africa Pty Ltd.	Spartan Extension, South Africa	FC	100%	100%
Manitou Australia Pty Ltd.	Alexandria, Australia	FC	86%	86%
Manitou Asia Pte Ltd.	Singapore	FC	100%	100%
Manitou South Asia Pte Ltd.	Gurgaon, India	FC	100%	100%
Manitou China Co Ltd.	Shanghai, China	FC	100%	100%
Manitou Middle East Fze	Jebel Ali, United Arab Emirates	FC	100%	100%
Manitou Malaysia Mh	Selangor, Malaysia	FC	100%	100%
Manitou Finance France SAS	Puteaux, France	EM	49%	49%
Manitou Finance Ltd.	Basigstoke, UK	EM	49%	49%
Algomat	Algiers, Algeria	EM	30,4%	30,4%
Hangzhou Manitou Machinery Equipment Co Ltd.	Hangzhou, China	EM	50%	50%

FC: Fully consolidated

EM: Consolidated using the equity method

## **34 – POST CLOSING EVENTS**

In early 2016, the Manitou group was condemned following commercial litigation and obtained a negotiated settlement on a patent dispute (see note 3 to the notes to the consolidated financial statements).

## 8.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2015

*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 2015, 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 2015 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:

- Notes 1.1, 1.2.1 and 2 to the consolidated financial statements setting out the terms and effects of the change in accounting policy following the retrospective application of IFRIC 21, *Leases*.
- Notes 1.1, 1.2.3 and 2 to the consolidated financial statements setting out the change in presentation, within current operating income, of foreign exchange gains and losses recognized on operating income denominated in foreign currencies.

### 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 1.3 to the consolidated financial statements).

We verified the appropriateness of the disclosures provided on these items in the notes to the consolidated financial statements and, particularly the valuation and impairment methods for non-current assets (Notes 1.7, 1.10 and 8 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 1.18 and 17.2 to the consolidated financial statements disclose the method of recognizing provisions for 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 1.20 and 20 to the consolidated financial statements outline the method of recognizing deferred tax and of monitoring 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 and assessing the information and assumptions relating to forecast taxable income and the use of the loss carryforwards. 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 1.8 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 2016

The Statutory Auditors

*French original signed by*

**RSM Ouest**

Nicolas Perenchio

**Deloitte & Associés**

Thierry de Gennes

## 8.3 PARENT COMPANY FINANCIAL STATEMENTS

### 8.3.1 INCOME STATEMENT

*In thousands of euros*

	Notes	31.12.2015	31.12.2014
<b>Sales (1)</b>			
Sales of merchandise goods		265,522	274,216
Production sold (goods)		602,527	599,458
Production sold (services)		7,003	7,490
<b>Net sales</b>	Note 18	875,052	881,164
Inventoried and capitalized production		-4,875	485
Reversals of provisions and amortization, expense transfers	Note 19	25,719	25,949
Other income		2,917	1,765
<b>TOTAL</b>		<b>898,813</b>	<b>909,363</b>
<b>Operating expenses (2)</b>			
Purchases and changes in inventories		605,971	641,648
Other purchases and external expenses		102,717	103,501
Taxes and related		9,793	9,892
Salaries and social charges		110,759	108,599
Amortization and impairment		23,005	30,388
Net increase in provisions		11,581	12,760
Other expenses		979	914
<b>TOTAL</b>		<b>864,805</b>	<b>907,702</b>
<b>OPERATING INCOME</b>		<b>34,008</b>	<b>1,661</b>
Financial income (3)		55,980	56,630
Financial expenses (4)		32,923	15,053
<b>FINANCIAL INCOME / EXPENSE</b>	Note 20	<b>23,057</b>	<b>41,577</b>
<b>RECURRING INCOME BEFORE TAXES</b>		<b>57,065</b>	<b>43,238</b>
Non-recurring income		11,970	10,364
Non-recurring expenses		5,778	7,613
<b>NON-RECURRING INCOME / EXPENSE</b>	Note 21	<b>6,192</b>	<b>2,751</b>
Employee profit sharing			
Income taxes	Note 22	2,443	1,168
<b>NET INCOME</b>		<b>60,814</b>	<b>44,821</b>

(1) Of which, revenues sales to prior periods

(2) Of which, expenses related to period periods

(3) Of which, income from affiliates

(4) Of which, expenses from affiliates

27,675 16,256

931 38



## 8.3.2 CASH FLOW STATEMENT

In thousands of euros

	31.12.2015	31.12.2014
<b>NET INCOME</b>	<b>60,814</b>	<b>44,821</b>
<i>Less: Non-cash and non-operating expenses</i>		
+ Amortization, write-offs and provisions (1)	19,122	20,306
- Reversals of amortization, write-offs and provisions (1)	-13,830	-36,437
- Proceeds from sales of assets	-941	-3,602
+ Net value of asset disposals	541	3,477
- Investment subsidies included in income	-14	-14
+/- Other non-cash income and expenses	853	1,168
<b>CASH FLOW</b>	<b>66,545</b>	<b>29,719</b>
<i>Changes in working capital</i>		
+/- Changes in inventories	25,487	-36,466
+/- Changes in accounts receivables	5,245	193
+/- Change in other receivables	-3,913	-12,924
+/- Changes in accounts payables	219	1,737
+/- Changes in other payables	-2,185	13,936
<b>CASH FLOW FROM OPERATIONS</b>	<b>91,398</b>	<b>-3,805</b>
<i>Timing differences related to investment activities</i>		
+ Disposals of tangible and intangible assets	941	3,201
+ Sales of financial assets	0	401
- Investments in tangible and intangible assets	-18,508	-13,589
- Purchases of financial assets	-10,035	-112
+/- Changes in supplier payables on assets	-1,320	3,115
+/- Cash flow related to mergers	0	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-28,922</b>	<b>-6,984</b>
<i>Timing differences related to financing activities</i>		
+ Capital increase	39	
- Capital reduction	0	0
+ Receivables transferred and carry back	0	0
- Dividends paid	-13,735	0
+ Increases in borrowings	40,583	21,138
- Repayments of borrowings	-30,838	-18,940
+/- Changes in subscribed capital called but not paid		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-3,951</b>	<b>2,198</b>
Cash & cash equivalents – opening balance	-5,007	3,584
Cash & cash equivalents – closing balance	53,518	-5,007
<b>CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	<b>58,525</b>	<b>-8,591</b>

(1) Excluding current assets

## 8.3.3 BALANCE SHEET

### ■ ASSETS

<i>In thousands of euros</i>			<b>31.12.2015</b>		<b>31.12.2014</b>
	Notes	Amount Gross	Amortization and impairment	Amount Net	Amount Net
<b>NON-CURRENT ASSETS</b>					
INTANGIBLE ASSETS (1)	Note 2	62,264	48,073	14,191	15,713
TANGIBLE ASSETS	Note 3	217,876	164,017	53,859	53,694
FINANCIAL ASSETS (2)	Note 4	373,314	12,210	361,104	342,557
		<b>653,454</b>	<b>224,300</b>	<b>429,154</b>	<b>411,964</b>
<b>CURRENT ASSETS</b>					
INVENTORIES AND WORK IN PROCESS	Note 6	197,700	11,850	185,850	211,337
PREPAYMENTS AND ADVANCES TO SUPPLIERS		28		28	16
RECEIVABLES FROM OPERATIONS (3)	Note 7	222,508	929	221,579	222,514
CASH & CASH EQUIVALENTS	Note 9	61,734	5,071	56,663	6,030
ACCRUALS	Note 15	2,484		2,484	3,358
		<b>484,454</b>	<b>17,850</b>	<b>466,604</b>	<b>443,255</b>
CURRENCY TRANSLATION DIFFERENCES ON ASSETS	Note 16	2,164		2,164	1,373
<b>TOTAL ASSETS</b>		<b>1,140,072</b>	<b>242,150</b>	<b>897,922</b>	<b>856,592</b>
(1) Of which, leasehold rights.				0	0
(2) Of which, less than one year.				1,913	1,826
(3) Of which, greater than one year.				0	0

### ■ LIABILITIES

<i>In thousands of euros</i>			<b>31.12.2015</b>	<b>31.12.2014</b>
	Notes		Net amount	Net amount
<b>SHAREHOLDERS' EQUITY</b>	Note 10			
Share capital	Note 10		39,552	39,549
Paid-in above par value, merger premiums, contributions, etc.			43,703	43,667
Valuation differences	Note 17		908	908
Retained earnings and reserves			336,216	305,130
Income for the period			60,814	44,821
Investment subsidies			99	112
Regulated provisions			12,032	16,697
			<b>493,324</b>	<b>450,884</b>
PROVISIONS FOR RISKS AND EXPENSES	Note 11		27,026	29,568
<b>DEBT (1)</b>				
FINANCIAL DEBT (2)	Note 12		165,964	170,243
DEBT RELATED TO OPERATING ACTIVITIES	Note 12			
Supplier accounts payable and related			139,095	138,876
Tax and social liabilities			39,245	38,557
Other operating liabilities			20,948	18,859
OTHER DEBT	Note 12		6,244	4,828
ACCRUALS	Note 15		3,864	3,307
			<b>375,360</b>	<b>374,670</b>
Currency translation differences on assets	Note 16		<b>2,212</b>	<b>1,470</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>			<b>897,922</b>	<b>856,592</b>
(1) Of which, greater than one year.			107,200	107,988
Of which, less than one year.			268,160	266,682
(2) Of which, short-term bank overdrafts and credit balances.			3,146	11,037
(3) Of which, equity loans				
(4) Of which, equity variance			0	0

## 8.3.4 NOTES TO THE PARENT COMPANY'S 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 39,551,949 euros made up of 39,551,949 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 2, 2016.

#### ■ 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 €897,922 thousand.

The income statement reports:

- Total sales of €966,763 thousand;
- Total expenses of €905,949 thousand,
- Income of €60,814 thousand.

The period begins on 01.01.2015 and ends on 31.12.2015 for a twelve month period.

The notes (or tables) below are an integral part of the full-year financial statements.

#### ■ PERIOD HIGHLIGHTS

##### Financing

In July of 2015, the Manitou group proceeded with the issuance of a new private bond for €25 million. The bonds bear an annual interest rate of 4.0% and will be repayable at maturity in July of 2022.

With this issue, the group extended the maturity of its debt and completed the disintermediated financing cycle initiated in 2012.

It also permitted the early repayment of €24.7 million on a 50 million euros line of credit originally contracted in 2013. It therefore does not increase the group's gross debt.

At December 31, 2015, the Manitou group had nearly 50 million euros of disintermediated debt.

##### Investments in affiliates

In 2015, two new subsidiaries were opened in Chile and Malaysia respectively, in order to develop sales and marketing activity in those regions.

As of September 1, 2015, Manitou BF had transferred all of its warehousing activity to its subsidiary, LMH Solutions based in Beaupréau in the Maine et Loire region of France.

#### Litigation

The Manitou group also obtained a settlement in early 2016 following a patent dispute. That transaction generated extraordinary income of €1.1 million during the 2015 period.

### 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 base method used for the financial statement items was the historical cost method.

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 2015 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 that is an optional recommended method, the company chose to apply that 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 depreciation periods are as follows:
  - Goodwill: 5 years,
  - Patents: 5 years,

- Computer software: 3 and 7 years for the integrated information system (ERP),
- Development costs: 5 years,
- Buildings: Between 20 and 30 years depending on the quality of the buildings constructed;
- Improvements to land and buildings: 10 years,
- Technical facilities: 10 years,
- Industrial 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 commercial vehicles,
- Office and computer equipment: 3 to 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). For development costs, the excess tax depreciation is recognized, as provided by law, as of the date the asset is capitalized.

## IMPAIRMENT OF ASSETS

Les immobilisations incorporelles et corporelles doivent être soumises à des tests de dépréciation dès lors qu'il existe un indice de perte de valeur.

Lorsqu'il existe un indice de perte de valeur, un test de dépréciation est effectué : la valeur nette comptable s'apprécie en fonction du marché et de l'utilité du bien pour la société. Elle résulte de la comparaison entre la valeur vénale et la valeur d'usage.

## ► 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 chosen to use the portion of the shareholders' equity owned, as calculated using the rules of consolidation, for the valuation of shares in wholly controlled companies for reporting purposes.

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 marketable securities to be canceled nor for shares classified in the specific marketable securities

sub-account (plans deemed to be exercisable). Those may be relevant 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 expense corresponds to the difference between the portfolio value of the shares allocated, net of impairment, and the corresponding exercise price, if lower. For performance share plans, the charge amounts to the portfolio value of the shares granted.

## ► NOTE 1.6 - INVENTORIES

### VALUATION

- Merchandise: valued at the weighted average purchase price,
- Raw materials: valued at the weighted average purchase price,
- Semi-processed products, work in-process and finished goods: valued at cost of production (raw materials, equipment and labor at actual cost).

### WRITE-OFFS FOR IMPAIRMENT

- 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, slow moving articles are subject to a write-off for impairment.
- Finished goods: 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 COMMITMENTS

The liability is calculated in accordance with the provisions of IAS19 revised and authorized by the new ANC recommendation 2003-R-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 in the previous full-year period, the liability 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 COMPETITIVITY AND EMPLOYMENT**

Manitou BF credited personnel expenses for €2.6 million related to the CICE (the French tax credit for competitiveness 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 currency 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 amount**

<i>In thousands of euros</i>	<b>31.12.2014</b>	Purchases	Transfers between line items	Divestitures	<b>31.12.2015</b>
Research & development expenses	24,292		1,109	368	25,033
Concessions, patents and licenses	29,983	1,036	276	190	31,105
Goodwill	2,561			853	1,708
Other intangible assets	0				0
Intangible assets in process	1,309	4,494	-1,385	0	4,418
Advances and prepayments	0				0
<b>Total</b>	<b>58,145</b>	<b>5,530</b>	<b>0</b>	<b>1,411</b>	<b>62,264</b>

**Amortization**

<i>In thousands of euros</i>	<b>31.12.2014</b>	Increases	Other decreases	<b>31.12.2015</b>
Research & development expenses	16,569	3,065	364	19,270
Concessions, patents and licenses	24,299	3,118	178	27,239
Goodwill	1,564			1,564
Other intangible assets	0			0
Intangible assets in process	0			0
Advances and prepayments	0			0
<b>Total</b>	<b>42,432</b>	<b>6,183</b>	<b>542</b>	<b>48,073</b>

**Net amount**

<i>In thousands of euros</i>	<b>31.12.2014</b>	<b>31.12.2015</b>
Research & development expenses	7,723	5,763
Concessions, patents and licenses	5,684	3,866
Goodwill	997	144
Other intangible assets	0	0
Intangible assets in process	1,309	4,418
Advances and prepayments	0	0
<b>Total</b>	<b>15,713</b>	<b>14,191</b>

**RESEARCH & DEVELOPMENT EXPENSES**

Development expenses at December 31, 2014 amounted to €25,197 thousand and were distributed between projects in process of €905 thousand and projects completed of €24,292 thousand.

Development costs incurred directly by the company and capitalized in 2015 amounted to €2,998 thousand. Projects related to the warehousing activity were removed in the amount of €368 thousand. All these flows amounted to capitalized costs at December 31, 2015 of €27,827 thousand which can

be distributed to projects in process of €2,794 thousand and completed projects of €25,033 thousand.

All research expenses, as well as the costs of studies and development, other than those described above, were expensed in the 2015 period for a total amount of €9,141 thousand versus €11,001 thousand during the 2014 period.



## NOTE 3 – TANGIBLE ASSETS

					Gross amount
<i>In thousands of euros</i>	31.12.2014	Purchases	Transfers between line items	Divestitures	31.12.2015
Land	12,392	706	43	442	12,699
Buildings	41,385	62	887	494	41,840
Installations, improvements and fixtures	33,916	1,824	1,442	768	36,414
Technical installations, industrial equipment	105,767	5,090	2,203	3,507	109,553
Other tangible assets	14,966	1,061	593	932	15,688
Tangible assets in process	2,615	4,235	-5,168		1,682
<b>Total</b>	<b>211,041</b>	<b>12,978</b>	<b>0</b>	<b>6,143</b>	<b>217,876</b>

					Amortization
<i>In thousands of euros</i>	31.12.2014	Increases	Other decreases		31.12.2015
Land	5,449	372	232		5,589
Buildings	23,999	1,892	476		25,415
Installations, improvements and fixtures	23,533	2,268	760		25,041
Technical installations, industrial equipment	91,375	6,459	3,265		94,569
Other tangible assets	12,991	1,297	885		13,403
<b>Total</b>	<b>157,347</b>	<b>12,288</b>	<b>5,618</b>		<b>164,017</b>

					Net amounts
<i>In thousands of euros</i>	31.12.2014				31.12.2015
Land	6,943				7,110
Buildings	17,386				16,425
Installations, improvements and fixtures	10,383				11,373
Technical installations, industrial equipment	14,392				14,984
Other tangible assets	1,975				2,285
Tangible assets in process	2,615				1,682
<b>Total</b>	<b>53,694</b>				<b>53,859</b>

Investments in 2015 were mainly related to the construction of an administrative building at the Aubinière site for €1,690 thousand, the repair of roofing for €935 thousand, various land and building improvements for €3,481 thousand, a machining centre and two welding robots for €1,564 thousand, tooling for €4,209 thousand, as well as IT equipment for €1,099 thousand.

## NOTE 4 – FINANCIAL ASSETS

Gross amounts

<i>In thousands of euros</i>	31.12.2014	Revaluation	Purchases	Transfers between line items	Decreases	31.12.2015
Share investments (2)	16,121		2,887	-10	0	18,998
Receivables from affiliates	6,180		0		512	5,668
Investments accounted for using the equity method (1)	339,945	0	7,610	10	0	347,565
Loans	10				5	5
Other financial assets	1,024		54		0	1,078
<b>Total</b>	<b>363,280</b>	<b>0</b>	<b>10,551</b>	<b>0</b>	<b>517</b>	<b>373,314</b>

## (1) information on investments in affiliates (changes in 2015)

<i>Company</i>	31.12.2014	Acquisitions in 2015	Transfers between line items	Divestitures	31.12.2015
C.f.m.	1,716				1,716
Manitou UK	598				598
Manitou Italia	34,460				34,460
Manitou Benelux	712				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
Manitou Australia	358				358
Manitou Hangzhou Material Handling	5,705				5,705
Manitou Manutencion Espana	200				200
Manitou Vostok	10	2,500			2,510
Manitou Polska	53				53
Manitou Americas	278,973				278,973
Manitou Interface and Logistics Europe	495				495
Manitou South Asia	136	500			636
Manitou Brasil Manipulacao de Cargas	870	1,200			2,070
Manitou Nordics	244				244
Manitou Middle East	212	0			212
Manitou Malaysia	0	400			400
Manitou Chile	0	20			20
LMH Solutions	0	2,990	10		3,000
<b>Total</b>	<b>339,945</b>	<b>7,610</b>	<b>10</b>	<b>0</b>	<b>347,565</b>

In order to further the development of its sales and marketing functions, Manitou BF created two new subsidiaries, Manitou Malaysia in Selangor and Manitou Chile in Las Condes.

Manitou BF subscribed to capital increases at its subsidiaries, Manitou Brasi, Manitou Vostok and Manitou South Asia.

Manitou BF performed a partial contribution of assets to the benefit of its subsidiary LMH Solutions in the amount of €2,495 thousand followed by a capital increase of €495 thousand.

(2) Manitou BF subscribed to the capital increase of Manitou Finance UK, its UK based subsidiary, in the amount of €2,887 thousand or 2,156 thousand in UK sterling.

Impairment

<i>In thousands of euros</i>	31.12.2014	Increases	Reversals	31.12.2015
Investments accounted for using the equity method (1)	20 723		8 513	12 210
Other investments	0	0	0	0
Other financial assets	0	0	0	0
<b>Total</b>	<b>20 723</b>	<b>0</b>	<b>8 513</b>	<b>12 210</b>

(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 €8,513 thousand was recorded in 2015, bringing the total amount of the provision at December 31, 2015 to €12,210 thousand.

## NOTE 5 – INVESTMENTS VALUED USING THE EQUITY METHOD (IN THOUSANDS OF EUROS)

Company	% Held	31.12.2014			% Held	31.12.2015		
		Accounting value (Acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)		Accounting value (Acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)
CFM	100,00%	1,716	15,681	13,965	100,00%	1,716	11,173	9,457
Manitou UK	99,42%	598	6,104	5,506	99,42%	598	8,553	7,955
Manitou Italia	100,00%	34,460	79,643	45,183	100,00%	34,460	76,161	41,701
Manitou Benelux	99,99%	713	5,173	4,460	99,99%	713	3,684	2,971
Manitou Asia	100,00%	1,310	6,585	5,275	100,00%	1,310	7,170	5,860
Manitou Portugal	100,00%	2,963	7,061	4,098	100,00%	2,963	6,874	3,911
Manitou Deutschland	100,00%	8,712	3,711	-5,001	100,00%	8,712	2,898	-5,814
Manitou Southern Africa	100,00%	2,219	15,322	13,103	100,00%	2,219	13,539	11,320
Manitou Australia	86,00%	358	4,105	3,747	86,00%	358	5,068	4,710
Manitou Hangzhou Material Handling	100,00%	5,705	2,378	-3,327	100,00%	5,705	2,380	-3,325
Manitou Manutencion Espana	100,00%	200	447	247	100,00%	200	634	434
Manitou Vostok	100,00%	10	-2,389	-2,399	100,00%	2,510	305	-2,205
Manitou Polska	100,00%	53	265	212	100,00%	53	265	212
Manitou Americas	100,00%	278,973	172,657	-106,316	100,00%	278,973	191,965	-87,008
Manitou Interface and Logistics Europe	99,00%	495	1,068	573	99,00%	495	1,008	513
Manitou South Asia	100,00%	137	257	120	100,00%	637	865	228
Manitou Brasil Manipulacao de Cargas	99,83%	870	629	-241	99,83%	2,070	-561	-2,631
Manitou Nordics	100,00%	244	291	47	100,00%	244	313	69
Manitou Middle East	100,00%	211	234	23	100,00%	211	279	68
Manitou Malaysia					100,00%	400	370	-30
Manitou Chile					100,00%	20	19	-1
LMH Solutions					100,00%	3,000	2,393	-607
<b>Total</b>		<b>339,945</b>	<b>319,222</b>	<b>-20,723</b>		<b>347,565</b>	<b>335,355</b>	<b>-12,210</b>

## NOTE 6 – INVENTORIES

In thousands of euros	31.12.2014			31.12.2015		
	Gross value	Impairment	Net	Gross value	Impairment	Net
Raw materials	103,743	3,097	100,646	82,663	1,894	80,769
WIP	11,330		11,330	13,868		13,868
Finished products	62,810	839	61,971	51,287	1,189	50,098
Merchandise	46,365	8,975	37,390	49,882	8,767	41,115
<b>Total</b>	<b>224,248</b>	<b>12,911</b>	<b>211,337</b>	<b>197,700</b>	<b>11,850</b>	<b>185,850</b>

## NOTE 7 – RECEIVABLES FROM OPERATIONS

In thousands of euros	Gross value			Provisions		
	31.12.2014	2015 Changes	31.12.2015	31.12.2014	2015 Changes	31.12.2015
Accounts receivable and related	172,295	-5,630	166,665	1,314	-385	929
Other receivables	7,944	-1,749	6,195	0		0
Misc. receivables	43,589	6,059	49,648	0		0
Capital subscribed but not yet paid	0		0	0		0
<b>Total</b>	<b>223,828</b>	<b>-1,320</b>	<b>222,508</b>	<b>1,314</b>	<b>-385</b>	<b>929</b>

In thousands of euros	Net amounts	
	31.12.2014	31.12.2015
Accounts receivable and related (1)	170,981	165,736
Other receivables	7,944	6,195
Misc. receivables	43,589	49,648
Capital subscribed but not yet paid	0	0
<b>Total</b>	<b>222,514</b>	<b>221,579</b>
(1) Including bills of exchange	70	869

## NOTE 8 – AGING OF RECEIVABLES

<i>In thousands of euros</i>	Gross value	Less than one year	1 to 5 years	Over 5 years
<b>On fixed assets</b>				
Receivables from affiliates (1)	5,668	834	3,094	1,740
Loans	5	5	0	
Other financial assets	1,078	1,078		
<b>On current assets</b>				
Doubtful or disputed customer accounts receivable	815	815		
Other customer receivables	165,850	165,850		
Employee and related accounts	8	8		
Social Security and other social organisms	68	68		
Income taxes	10,110	3,913	6,197	
Value added tax	5,349	5,349		
Misc.	21	21		
Group and associates	34,751	34,751		
Misc. debtors	5,536	5,536		
Prepaid expenses	2,484	2,484		
<b>Total</b>	<b>231,743</b>	<b>220,712</b>	<b>9,291</b>	<b>1,740</b>
(1) Loans repaid during the year	517			

## 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.

<i>In thousands of euros</i>	2014	2015
SICAV monetary instruments (valued at December 31, 2015 market prices, purchase price at that date)	149	43,400
Shares in listed company	736	550
Provision for impairment of shares	-366	-258
Own shares (1)	8,592	8,592
Provision for impairment of shares (1)	-5,307	-4,791
<b>TOTAL VALUE OF INVESTMENT SECURITIES</b>	<b>3,804</b>	<b>47,493</b>
Cash & cash equivalents	2,226	9,170
<b>TOTAL CASH, CASH EQUIVALENTS AND INVESTMENT SECURITIES</b>	<b>6,030</b>	<b>56,663</b>

**(1) Treasury shares**

At December 31, 2015, treasury shares held by the company to cover stock options (267,198) were 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, 2015, the market value per share was €14.23 for exercises prices between €30.95 and €39.80. The plans were therefore considered to be unexercisable.

As a result, treasury shares were written down at December 31, 2015 by €4,791 thousand (the difference between the purchase price and the market value of the shares at December 31, 2015).

For the 2015 period, a provision for impairment totaling €516 thousand was reported as a non-recurring expense.

## NOTE 10 – SHAREHOLDERS' EQUITY

### ► NOTE 10.1 - CHANGES IN SHAREHOLDERS' EQUITY

<i>In thousands of euros</i>	Share Capital	Share Premiums	Valuation differences	Legal reserve	Other reserves	Retained earnings	Income for the period	Grants and regulated provisions	Total share-holders' equity
<b>31.12.2014</b>	<b>39,549</b>	<b>43,667</b>	<b>908</b>	<b>3,955</b>	<b>315,338</b>	<b>-14,163</b>	<b>44,821</b>	<b>16,809</b>	<b>450,884</b>
Capital increase	3	36							39
2014 Income						31,086	-31,086		0
Dividends							-13,735		-13,735
2015 Income							60,814		60,814
Impact of changes in the value of affiliates (equity method)									0
Change in investment subsidies								-13	-13
Change in price increase allowance								0	0
Change in accelerated depreciation for the year								-4,665	-4,665
<b>31.12.2015</b>	<b>39,552</b>	<b>43,703</b>	<b>908</b>	<b>3,955</b>	<b>315,338</b>	<b>16,923</b>	<b>60,814</b>	<b>12,131</b>	<b>493,324</b>

### ► NOTE 10.2 - BREAKDOWN OF PAID-IN-CAPITAL

	Par value per share	Shares outstanding	Net 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	3,000	€3,000
<b>SHARE CAPITAL AT 31/12/2015</b>	<b>€1.00</b>	<b>39,551,949</b>	<b>€39,551,949</b>

## NOTE 11 – PROVISIONS

<i>In thousands of euros</i>	31.12.2014	Increases Built	Reversals Applied	Reversed	31.12.2015
<b>Regulated provisions</b>					
Provision for price increases	0		0		0
Accelerated depreciation	16,698	651	5,317		12,032
Other regulated provisions	0		0		0
<b>Total</b>	<b>16,698</b>	<b>651</b>	<b>5,317</b>	<b>0</b>	<b>12,032</b>
<b>Provisions for risks and expenses</b>					
Litigation	3,067	149	474	305	2,437
Guarantees provided to customers (1)	10,087	4,625	5,867	591	8,254
Currency exchange losses	1,373	1,697	1,373		1,697
Pensions and related liabilities (2)	922	7		12	917
Provisions for risks and expenses (3)	145	16	0		161
Provisions for retirement benefit plan commitments (4)	13,973	0	414		13,559
<b>Total</b>	<b>29,568</b>	<b>6,494</b>	<b>8,128</b>	<b>908</b>	<b>27,026</b>
<b>Provisions for impairment</b>					
Tangible assets	1				1
Share investments	20,723	0	8,513		12,210
Inventories and work in process	12,911	11,269	12,276	54	11,850
Accounts receivable	1,314	313	328	370	929
Other (5)	5,695	0	624		5,071
<b>Total</b>	<b>40,644</b>	<b>11,582</b>	<b>21,741</b>	<b>424</b>	<b>30,061</b>
<b>TOTAL ASSETS</b>	<b>86,909</b>	<b>18,727</b>	<b>35,186</b>	<b>1,332</b>	<b>69,118</b>

Of which, increases and reversals:

	Increases	Reversals
- Operating	16,379	20,211
- Financial	1,697	9,994
- Non-recurring	651	6,313



**(1) WARRANTIES**

A provision is built to cover the estimated cost of warranties on equipment and spare parts as 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. That provision is calculated on a statistical basis.

**(2) PENSIONS AND RELATED LIABILITIES**

That item corresponds to the amount of the provision for seniority awards.

**(3) OTHER RISK PROVISIONS**

That item includes a provision for the allotment of risk free shares for €161 thousand.

**(4) PROVISIONS FOR RETIREMENT BENEFIT PLAN COMMITMENTS**

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:

		31.12.2014	31.12.2015
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 43 years	Progressive increase in the number of contribution years to 43 years
Annual growth rate of employees		4.00%	4.00%
Discount rate		2.15%	2.25%
Expected return on plan assets		2.15%	2.25%
Mortality rate		Male rate 05/Female rate 05	Male rate 05/Female rate 05
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.

Provisions for end-of-career indemnities changed as follows:

<i>In thousands of euros</i>	31.12.2014	31.12.2015
Commitment - End of period	20,144	19,026
Plan assets at end of period	6,171	5,467
Financial position	-13,973	-13,559
Cost of prior services (change in collective bargaining agreement 08/2010)	0	0
(Provision) / amount prepaid	-13,973	-13,559

The impact on income recorded in 2014 and 2015 can be broken down as follows:

<i>In thousands of euros</i>	31.12.2014	31.12.2015
Service costs	1,105	1,493
Cost of discounting	546	464
Expected return on plan assets	-220	-132
Reduction	0	0
Past service costs	0	0
Subtotal	1,431	1,825
Acquisition transfer	0	-266
Actuarial gain calculated	4,066	-1,973
<b>Total</b>	<b>5,497</b>	<b>-414</b>

**(5) OTHER**

Impairment of treasury shares (see note 9).

## NOTE 12 – BREAKDOWN OF DEBT

<i>In thousands of euros</i>	Gross value	Less than one year	1 to 5 years	Over 5 years
Bank loans and debt (1)	115,228	9,728	74,500	31,000
Other loans and financial liabilities	6,215	6,215		
Supplier accounts payable and related	139,095	139,095		
Employee and related accounts	20,314	20,314		
Social Security and other social organisms	16,630	16,630		
Income taxes	0	0		
Value added tax	19	19		
Other taxes	2,282	2,282		
Debts on fixed assets and related accounts	2,668	2,668		
Group and associates	44,521	44,521		
Other debt	24,524	24,524		
Uninvoiced revenues	3,864	2,164	1,700	
<b>Total</b>	<b>375,360</b>	<b>268,160</b>	<b>76,200</b>	<b>31,000</b>
(1) Loans taken during the year	40,000			
(1) Loans repaid during the year	30,838			

New bonds of €25 million repayable at maturity were issued during the period.

At the same time, a premature repayment of €24.7 million was made on a €50 million line of credit contracted in 2013.

## NOTE 13 – ITEMS RELATED TO AFFILIATES

<i>In thousands of euros</i>	31.12.2014	31.12.2015
Investments accounted for using the equity method (1)	339,945	347,565
Receivables from affiliates		
Other investments	16,118	18,995
Accounts receivable and related	97,631	80,684
Other receivables	33,544	34,788
Supplier accounts payable and related	33,082	28,700
Debt on fixed assets	0	0
Other debt	65,640	62,615
Financial expenses	38	931
Income from equity investments	15,593	25,422
Other financial income	663	2,253
(1) Change 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 INCOME

<i>In thousands of euros</i>	31.12.2014	31.12.2015
Receivables from affiliates	53	60
Other financial assets	0	0
Accounts receivable and related	2,928	1,562
Other receivables	1,622	4,820
Cash & cash equivalents	2	2

### ► NOTE 14.2 - ACCRUED EXPENSES

<i>In thousands of euros</i>	31.12.2014	31.12.2015
Bank loans and debt	168	588
Other loans and financial liabilities		
Supplier accounts payable and related	24,820	28,363
Tax and social liabilities	31,195	32,102
Debts on fixed assets and related accounts	1,849	903
Other debt	18,926	21,177

## NOTE 15 – PREPAID INCOME AND EXPENSES

<i>In thousands of euros</i>	Expenses	Income
Operating expenses / income	2,374	3,864
Financial expenses / income	110	
Non-recurring expenses / income		
<b>Total</b>	<b>2,484</b>	<b>3,864</b>

## NOTE 16 – TRANSLATION DIFFERENCES ON DEBTS AND RECEIVABLES IN FOREIGN CURRENCY

<i>In thousands of euros</i>	Asset differences (1)	Liability differences
Loans and financial debt	1,264	1,537
Accounts receivable	882	625
Accounts payable	18	51
<b>Total</b>	<b>2,164</b>	<b>2,213</b>

(1) Offset by a risk provision of €1,697 thousand.

## NOTE 17 - REVALUATION DIFFERENCES

<i>In thousands of euros</i>	31.12.2014	31.12.2015
<b>Assets</b>		
Land	354	354
Investments in affiliates	554	554
<b>Total</b>	<b>908</b>	<b>908</b>
<b>Liabilities</b>		
Revaluation reserve (1976)	908	908
Other differences (equity method)	0	0
<b>Total</b>	<b>908</b>	<b>908</b>

## NOTE 18 – BREAKDOWN OF SALES

*In thousands of euros*

	2014	2015
<b>A - Breakdown by Activity</b>		
Production (Manitou BF)	604,372	607,253
Spare parts trading	131,117	133,575
Equipment trading	145,675	134,224
<b>Total</b>	<b>881,164</b>	<b>875,052</b>
<b>B - Breakdown by market region</b>		
France	264,833	243,352
Export	616,331	631,700
<b>Total</b>	<b>881,164</b>	<b>875,052</b>

## NOTE 19 – REVERSALS OF PROVISIONS AND TRANSFERS OF EXPENSES

*In thousands of euros*

	Produits
Reversal of provision for risks	7,183
Reversals of impairment on tangible assets	0
Reversal of provision for impairment of working capital	13,027
Transfer of operating expenses (1)	5,509
<b>Total</b>	<b>25,719</b>

(1) The Transfer of operating expenses item mainly consists of management fees invoiced to Manitou Italia of €987 thousand and to Manitou Americas for €722 thousand, the reclassification of inventories transferred to LMH personnel as exceptional expenses for the amount of €2,537 thousand, as well as the re-invoicing of various expenses.

## NOTE 20 – FINANCIAL INCOME / EXPENSE

*In thousands of euros*

	Expenses	Income
Income from securities		25,429
Exchange gains		19,761
Reversal of impairment provision on securities (1)		8,513
Other income		2,277
Interest on borrowings	3,174	
Currency exchange losses	27,399	
Other expenses	2,350	
<b>Total</b>	<b>32,923</b>	<b>55,980</b>

(1) The use of the equity method for investments in affiliates resulted in a reversal of provisions in 2015 of €8,513 thousand thereby bringing the provision at December 31, 2015 from €20,723 thousand to €12,210 thousand.

## NOTE 21 – NON-RECURRING ITEMS

*In thousands of euros*

	Expenses	Income
Proceeds from the sale of fixed assets		932
Non-recurring income arising from the capital absorption of LMH (1)		2,746
Non-recurring income (3)		1,200
Reversals of exceptional write-offs		5,317
Reversal of provision for risks (2)		996
Expenses transferred (1)		531
Misc.		248
Net expenses on sales of fixed assets	908	
Non-recurring expenses arising from the capital absorption of LMH (1)	3,068	
Exceptional expenses for terminations (2)	673	
Write-offs for impairment and accelerated depreciation	898	
Misc.	231	
<b>Total</b>	<b>5,778</b>	<b>11,970</b>

(1) Transactions related to the partial capital absorption of the subsidiary LMH Solutions.

(2) Indemnities and bonuses for departures related to the company's executive management reorganization. A portion of those indemnities was covered by the application of a provision in the amount of €480 thousand.

(3) Negotiated indemnity obtained within the framework of a dispute related to patent infringement.

## NOTE 22 – INCOME TAXES

### ► NOTE 22.1 - BREAKDOWN OF INCOME TAX

<i>In thousands of euros</i>	Income before tax	Income taxes	Income after taxes
Recurring operating income (1)	57,065	3,200	53,865
Non-recurring income/expense (1)	6,192	347	5,845
Non-recurring contribution of dividend distributed		412	-412
Deferred taxes from technical losses on merger (2)		853	-853
Tax credits (3)		-1,711	1,711
Tax credits receivable (4)		-430	430
Tax credits related to tax consolidation (5)		-228	228
Net income	63,257	2,443	60,814

(1) Taxable income after consideration of tax loss carry forwards in 2015 of €18,186 thousand amounted to €9,401 thousand resulting in tax expense of €3,547 thousand.

(2) The accounting for deficits recovered from mergers and absorptions in 2011 resulted in the total removal of the remaining technical losses amounting to an expense of €853 thousand.

(3) Tax credits for research and apprenticeships

(4) Income receivable arising from litigation and claims related to the portion of expenses and charges associated with dividends received from European subsidiaries for the 2011, 2012, 2013 and 2014 periods.

(5) Tax credit related to the tax combination of the subsidiary CFM.

### ► NOTE 22.2 - RESEARCH TAX CREDIT

The amount of research tax credits recorded in 2015 was €1,708 thousand.

### ► NOTE 22.3 - INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

<i>In thousands of euros</i>	2015 Net amount
<b>NATURE OF THE TEMPORARY DIFFERENCES</b>	
<b>INCREASES</b>	
Regulated provisions at December 31, 2015	12,032
Other tax differences	
<b>Total</b>	<b>12,032</b>
<b>INCREASES IN FUTURE TAX LIABILITIES</b>	<b>4,144</b>
<b>REDUCTIONS</b>	
Provisions non-deductible in the year recorded	6,598
Other (1)	16,086
<b>Total</b>	<b>22,684</b>
<b>REDUCTIONS IN THE FUTURE TAX LIABILITY</b>	<b>7,812</b>

(1) The total remaining amount of tax loss carry forwards at December 31, 2015 was €16,086 thousand thus reducing the future tax liability by €5,540 thousand.

### ► NOTE 22.4 - IMPACT OF TAX VALUATIONS

<i>In thousands of euros</i>	31.12.2015
<b>INCOME FOR THE PERIOD</b>	<b>60 814</b>
Income taxes	2 443
<b>INCOME BEFORE TAX</b>	<b>63 257</b>
Other regulated provisions	-4 666
Other tax differences	
<b>INCOME BEFORE TAX EXCLUDING THE IMPACT OF TAX VALUATIONS</b>	<b>58 591</b>

## NOTE 23 – LEASES

No real estate leases remained outstanding at December 31, 2015.



## NOTE 24 - COMMITMENTS

*In thousands of euros*

**31.12.2015**

Impact of discounted notes outstanding	
Sureties, deposits, collateral	611
Mortgages	
Shareholder agreements	710
Term sales of foreign currencies	56,558
Currency CAP	50,000
Rate swaps	75,000
Equipment repurchase commitments (1)	0

(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*

**2014**

**2015**

Management	388	392
Supervisors and technicians	54	49
Employees	414	442
Blue collar workers	933	905
<b>Total</b>	<b>1,789</b>	<b>1,788</b>

## NOTE 26 – INFORMATION ON THE COMPENSATION OF OFFICERS

Total amount of compensation and benefits in-kind paid to corporate officers in 2015:

<i>In thousands of euros or number of securities</i>	Salaries	Mandates	Extra benefits	Number of stock options granted	Stock options exercised	Other provisions and commitments
Non-executive corporate officers	144	477				
Executive corporate officers		655				326

## NOTE 27 – 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 fulfills the provisions introduced by decree N° 2008-1487 dated December 30, 2008.

## NOTE 28 – POST-CLOSING EVENTS

The company Manitou BF agreed to a settlement at the beginning of 2016 related to litigation over a patent dispute (see «highlights» in the notes to the parent company's financial statements).

## LIST OF SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2015

As for the valuation of investments in associates (notes a.2.2 and b.4), the consolidated financial statements were established according to IFRS. The values presented in this table were also calculated on the basis of those standards.

COMPANIES	Share Capital	Reserves and retained earnings before attribution of income	% of share capital held	BOOK VALUE OF SHARES HELD			Loans and advances granted and outstanding	Amounts of guarantees provided by the company	Sales excluding taxes	Income or loss (-)	Dividends received
In thousands of euros or foreign currency				Gross	Net	Consolidated using the equity method					
<b>I – Detailed information</b>											
<b>A – SUBSIDIARIES (at least 50% owned by the company)</b>											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
CFM	1,320	9,847	100,00%	1,716	1,716	11,173			15,005	425	5,016
LMH Solutions	3,000	-442	100,00%	3,000	3,000	2,393	464		3,146	-442	
Manitou Italia	5,000	76,315	100,00%	34,460	34,460	76,161			180,514	6,723	10,000
Manitou Benelux	500	3,184	100,00%	713	713	3,684	147		88,150	1,511	2,996
Manitou Portugal	600	6,203	100,00%	2,963	2,963	6,874			14,319	656	1,000
Manitou Deutschland	800	2,098	100,00%	8,712	8,712	2,898			78,334	1,187	2,000
Manitou Manutencion Espana	200	434	100,00%	200	200	634			2,052	187	
Manitou Interface & Logistics Europe	500	508	99,00%	495	495	1,008	10,524		30,945	-60	
Manitou Nordics	242	71	100,00%	244	244	313			799	25	
	GBP	GBP							GBP	GBP	
Manitou UK	230	6,966	99,42%	598	598	8,553	10,392		114,107	2,014	
	USD	USD							USD	USD	
Manitou Americas	361,165	-152,173	100,00%	278,973	278,973	191,965	9		357,644	-847	
	SGD	SGD							SGD	SGD	
Manitou Asia	400	10,654	100,00%	1,310	1,310	7,170	5,668		29,781	480	
	ZAR	ZAR							ZAR	ZAR	
Manitou Southern Africa	938	228,594	100,00%	2,219	2,219	13,539			427,652	14,477	
	AED	AED							AED	AED	
Manitou Middle East	1,000	115	100,00%	212	212	279			2,389	79	
	AUD	AUD							AUD	AUD	
Manitou Australia	400	7,150	86,00%	358	358	5,068	9,873		58,413	1,462	
	CNY	CNY							CNY	CNY	
Manitou China	59,938	-43,134	100,00%	5,705	5,705	2,380			22,484	-1,115	
	RUB	RUB							RUB	RUB	
Manitou Vostok	338	24,280	100,00%	10	10	305			1,160,579	14,847	
	PLN	PLN							PLN	PLN	
Manitou Polska	200	932	100,00%	53	53	265			4,856	-1	
	INR	INR							INR	INR	
Manitou South Asia	45,000	17,314	100,00%	637	637	865			56,600	6,990	
	BRL	BRL							BRL	BRL	
Manitou Brasil Manipulacao de Cargas	6,598	-9,019	99,83%	2070	2070	-561	3,368		9,791	-8,505	
	MYR	MYR							MYR	MYR	
Manitou Malaysia	1,965	-227	100,00%	400	400	370			0	-227	
	CLP	CLP							CLP	CLP	
Manitou Chile	15,000	0	100,00%	20	20	19			0	0	
<b>B – INVESTMENTS IN AFFILIATES (10 to 50%)</b>											
	EUR	EUR							EUR	EUR	
Manitou Finance France	4,682	22,122	49,00%	12,571	12,571				53,174	1,883	
	GBP	GBP							GBP	GBP	
Manitou Finance Ltd	7,270	8,145	49,00%	4,875	4,875				9,581	2,844	
	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	-5,750	50,00%	1,448	1,448				23,965	-1,669	
<b>II – General information</b>											
A - SUBSIDIARIES excluded from paragraph I	None										
B - INVESTMENTS IN AFFILIATES excluded from paragraph I	None										

## INVENTORY OF SECURITIES HELD

COMPANY	Type and par value	Currency	Number of units or shares	Original book value	Equity consolidation method value
<i>In number of units or shares or in thousands of euros</i>					
CFM	Shares at 20	EUR	6,600	1,716	11,173
Manitou Finance France	Shares at 1000	EUR	12,571	12,571	12,571
Manitou UK	Shares at 1	GBP	228,670	598	8,553
Manitou Italia	Shares at 1	EUR	5,000,000	34,460	76,161
Manitou Benelux	Units of 500	EUR	999	713	3,684
Manitou Asia.	Shares at 1	SGD	400,000	1,310	7,170
Manitou Portugal	Shares at 5	EUR	120,000	2,963	6,874
Manitou Deutschland	Shares at 800,000	EUR	1	8,712	2,898
Manitou Southern Africa	Units of 1	ZAR	937,500	2,219	13,539
Manitou Finance Ltd.	Units of 1	GBP	3,562,000	4,875	4,875
Algomat	Shares at 1,000	DZD	6,080	74	74
Manitou Americas	Shares at 361,101	USD	1	278,973	191,965
Manitou Australia	Shares at 1	AUD	344,000	358	5,068
Manitou Hangzhou Material Handling				5,705	2,380
Manitou Manutencion Espana	Shares at 1	EUR	200,000	200	634
Hangzhou Manitou Machinery Equipment				1,448	1,448
Manitou Vostok	Shares at 1	RUB		10	305
Manitou Polska	Units of 1	PLN	400	53	265
Manitou Interface and Logistics Europe	Shares at 500	EUR	495	495	1,008
Manitou South Asia	Shares at 10	INR	4,499,999	637	865
Manitou Brasil Manipulacao de Cargas	Shares at 1	BRL	2,537,070	2,070	-561
Manitou Nordics	Shares at 1	LVL	170,000	244	313
Manitou Middle East	Shares at 1	AED	1,000,000	212	279
Manitou Malaysia	Shares at 1	MYR	1,965,100	400	370
Manitou Chile	Shares at 1	CLP	15,000,000	20	19
LMH Solutions	Shares at 10	EUR	300,000	3,000	2,393
<b>Total</b>				<b>366,536</b>	<b>354,323</b>

## COMPANY RESULTS OVER THE LAST FIVE YEARS

	2011	2012	2013	2014	2015
<i>In euros</i>					
<b>I - AS AT YEAR-END</b>					
a) Share capital	39,548,949	39,548,949	39,548,949	39,548,949	39,551,949
b) Number of shares issued	39,548,949	39,548,949	39,548,949	39,548,949	39,551,949
c) Number of convertible bonds					
<b>II – COMPREHENSIVE INCOME OF ACTUAL OPERATIONS</b>					
a) Sales excluding taxes	774,866,291	851,301,672	825,013,338	881,163,431	875,052,088
b) Income before taxes, depreciation, amortization, provisions and employee profit sharing	54,125,075	24,288,590	-4,095,475	32,097,756	63,921,122
c) Income taxes	5,147,938	-821,743	8,011	1,168,145	2,442,468
b) Income after taxes, depreciation, amortization, provisions and employee profit sharing	29,516,469	39,808,642	-14,308,417	44,820,578	60,814,467
e) Total dividends paid	0	11,864,685	17,797,027	0	13,842,132
<b>III - INCOME PER SHARE FROM OPERATIONS</b>					
a) Income after taxes before depreciation, amortization, provisions and employee profit sharing	1,24	0,63	-0,10	0,78	1,55
b) Income after taxes, depreciation, amortization, provisions and employee profit sharing	0,75	1,01	-0,36	1,13	1,54
c) Dividend per share	0,30	0,45	0,45		0,35
<b>IV - PERSONNEL</b>					
a) Number of employees	1,477	1,718	1,847	1,789	1,788
b) Total salary expense	58,211,261	64,735,908	71,664,769	70,426,403	73,349,207
c) Amounts paid for employee benefits	23,472,392	35,388,501	36,160,048	38,172,381	38,410,040

## 8.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2015

*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.*

### 8.4.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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 2015, on:

- the audit of the accompanying financial statements of Manitou BF;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

#### ■ 8.4.1.1 OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 2015 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 method of recognizing provisions for 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 disclosed in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest 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 2016

The Statutory Auditors

*French original signed by*

**RSM Ouest**

Nicolas Perenchio

**Deloitte & Associés**

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 with and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have identified during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, 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

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements or commitments authorised beforehand by your Board of Directors.

#### **CONTRACT FOR THE PROVISION BY MANITOU BF OF TWO VEHICLES TO GLGM CONSEIL, A COMPANY MANAGED BY MR. MICHEL DENIS, THE MANITOU BF CHIEF EXECUTIVE OFFICER**

On 12 December 2014, your Board of Directors authorized the implementation of an agreement for the signature of a contract for the provision of two vehicles, one for strictly professional use and one for professional and private use by Mr. Michel Denis, with GLGM Conseil of which the latter is the manager.

This agreement follows the observation that Mr. Michel Denis works in Ancenis, that his main residence is in the Paris region and that he rents a second residence in Nantes. Due to his frequent travel, Mr. Michel Denis requires two vehicles, one in the Nantes region and one in the Paris region.

This agreement was signed on March 10, 2015 for a period of one year renewable by tacit agreement, subject to termination by either of the parties or termination of the duties of Mr. Michel Denis as manager of GLGM Conseil and/or Chief Executive Officer of Manitou BF.

The total budget allocated to the management of the two vehicles is €2,150, including VAT, per month. This price is fixed and non-revisable.

This agreement was entered into for the following reasons: Optimisation of costs for Manitou BF and the provision of vehicles for a total cost to Manitou of less than the allocation scale for a single company car, without impacting internal consistency.

### ■ 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-CHAIRWOMAN OF THE BOARD OF DIRECTORS**

##### Current account

Ms. Jacqueline Himsworth's current account totalled €148,600 as at 31 December 2015 (including interest, net of deductions). This account bore interest at 2.79%. The amount of interest assumed by your Company in this respect totalled €1,897 in 2015.

#### **AGREEMENT WITH MR. BRAUD (CHAIRMAN OF THE BOARD OF DIRECTORS) AND MRS. BRAUD**

##### Current account

Mr. and Mrs. Braud's current account totalled €6,066,833 as at 31 December 2015 (including interest, net of deductions). This account bore interest at 2.79%. The amount of interest assumed by your Company in this respect totalled €110,468 in 2015.

#### **COMMITMENTS GIVEN IN FAVOUR MR. MICHEL DENIS, CHIEF EXECUTIVE OFFICER SINCE 13 JANUARY 2014**

On 8 January 2014, your Board of Directors approved the payment of a termination benefit to Mr. Michel Denis, appointed Chief Executive Officer with effect from 13 January 2014, in the event his 4-year term were to be revoked before expiry or not renewed on 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 bonus paid during the year preceding the year in which the revocation becomes final or the year in which the office was not renewed, provided that the bonus criteria are more than 35% satisfied over the period under consideration.

In addition, the Chief Executive Officer shall comply with a non-compete obligation for a period of twelve months following the end of his office, regardless of the reasons for the termination of this office. In consideration for this obligation, the Chief Executive Officer shall receive compensation equal to half of his monthly fixed remuneration received during the last month preceding the termination of his office and payable at each month-end for a period of one year following the effective termination of this office.

Orvault and Nantes, 30 March 2016

The Statutory Auditors

**RSM Ouest**

Nicolas Perenchio

**Deloitte & Associés**

Thierry de Gennes



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[illegible]



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