HANDLING YOUR WORLD

2016 ANNUAL REPORT

HANDLING YOUR WORLD

Material handling is the heart of Manitou Group's business and a field to which it is truly committed with regard to all its stakeholders.

Its knowledge and expertise enable it to respond to all material handling requirements, whatever the country, terrain or application.

By making its customers' world, and by extension the entire world, its field of operation, Manitou is clearly asserting its leadership and desire to offer solutions and service by creating value for its customers.

SUMMARY

THE MANITOU GROUP IS RESOLUTELY LOOKING TO THE FUTURE, AND PROVIDES INNOVATIVE SOLUTIONS **THROUGHOUT THE WORLD.**

A world leader in all-terrain material handling, the group designs, produces, distributes and ensures services equipment intended for construction, agriculture and industries.

The group's product ranges include: fixed, rotating and heavy-load all-terrain telescopic forklift-trucks, semi industrial and industrial all-terrain masted forklift-trucks, compact loaders (skid-steers) on wheels or tracks, articulated loaders, 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 €1.332 billion in 2016 in 140 countries and employs 3,300 staff who are resolutely focused on customer satisfaction.

77%
of sales generated abroad

65%
of the company's share capital held by the founding family

€ 1 332 bn
2016 revenue

3 300
employees worldwide

21
subsidiaries worldwide

10
production sites

Group listed on the Paris stock exchange

3 brands distributed by 1,400 dealers in 140 countries

HANDLING YOUR WORLD

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

1972
Group's internationalization began.

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

1981
Manitou's first telehandler launched.

1984
The company went public.

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

1995
Aerial work platforms launched.

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

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

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

2006
Manitou surpassed the one billion euro sales mark.

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

2008
The American Gehl Company was acquired.

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

2010
Gehl and Mustang articulated loaders launched.

2011
Family shareholding reorganized.

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

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

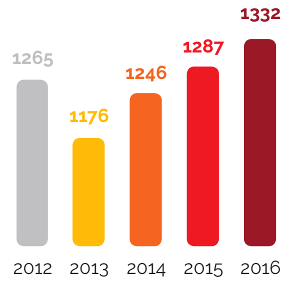
2014
January: Michel Denis appointed as President and CEO.
April: new roadmap hinged on three divisions, including one dedicated to service.

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

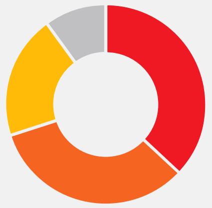
2016
Launch of the new agricultural range, MLT NewAg

2016
Inauguration of a new production site in Brazil.

KEY FIGURES

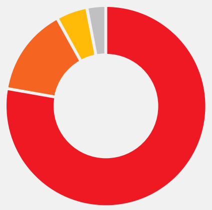


Sales revenue (in €M)



Sales by geographic area

37%	Northern Europe
33%	Southern Europe
20%	Americas
10%	APACMEA

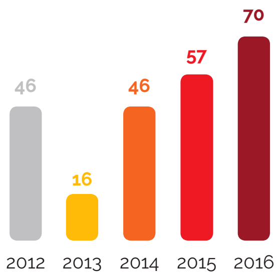


Sales revenue by type

78%	Production
14%	Spare parts
5%	Trade
3%	Services

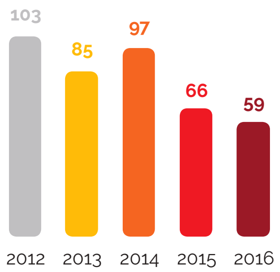
Sales revenue by market

46%	Construction
30%	Agriculture
24%	Industries

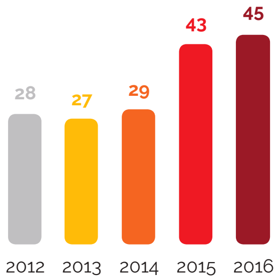


OR (in €M)*

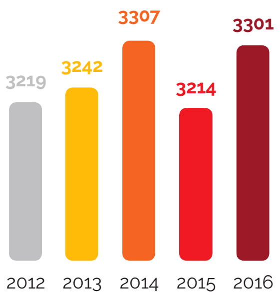
*Operating Result



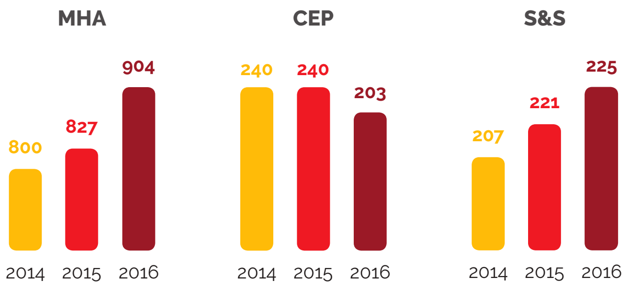
Net Debt (in €M)



Investments (in €M)



Workforce
(in number of people)



Sales revenue by division (in €M)

HIGHLIGHTS OF 2016

*French agency that manages funds for the professional integration of disabled people.

BOARD OF DIRECTORS

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

2016 was a year of growth for the Manitou Group, and the Board of Directors is proud to have supported the projects that contributed to this great success.

These projects notably included the inauguration of a new production site in Brazil. We need to continue to strengthen our presence to better meet the specific needs of Latin America, with teams in the field who are dedicated and proud to belong to our group. This new subsidiary, the group's 21st, is perfectly aligned with our internationalisation activities. It is all these subsidiaries who, through their work, help to disseminate the quality of our equipments and services throughout the world. In addition to this new subsidiary, we are also proud to have celebrated the 25th anniversary of Manitou Benelux. These longstanding collaborations are for us a sign of our stability, but also of our expansion in increasingly competitive markets.

Our presence in Asia was also strengthened in 2016 with the creation of a Manitou Center in Malaysia to better serve our customers in this region.

Innovation is an essential component of Manitou's DNA, and was at the heart of the launch of the new range of "NewAg" machines, specially developed for agriculture, which has already won over numerous customers! This range is the result of three years' work by all the group's teams, and I am delighted that it has already been hailed as a success.

The expansion of our internationalisation activities, the search for new markets and our capacity to innovate are all strengths that will allow us to face increased competition and further strengthen our leadership. Our know-how enables us to develop high-quality products which, combined with a service provision that is aligned with the expectations of our customers, will, I am sure, ensure the long-term sustainability and profitability of our group.

The members of the Board of Directors are committed to giving their full support to the teams, so that we can face the challenges of 2017 together and continue to earn the trust of our shareholders.

Marcel Braud, Chairman of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS

Marcel Braud, 5
Chairman
Jacqueline Himsworth, 7
Vice Chairwoman
Gordon Himsworth 9
Marcel-Claude Braud 2
Christopher Himsworth 8
Sébastien Braud 1
Dominique Bamas* 3
Pierre-Henri Ricaud* 6
Agnès Michel-Segalen* 4

* Independent members in accordance with MiddleNext recommendations

MANITOU ON THE STOCK EXCHANGE

INDEX AND VOLUME EVOLUTION OF MANITOU SHARES SINCE 01.01.2016

Volume · Manitou · CAC all-tradable

ANALYSTS COVERING THE MANITOU SHARE

Exane BNP Paribas
Laurent Gélébart
Gilbert Dupont
Thomas Alzuyeta
ID Midcaps
Denis Scherrer
Kepler Cheuvreux
Charles-Louis Scotti
Natixis
Kathleen Gailliot
Oddo Midcap
Emmanuel Matot
Portzamparc
Maxime Prodhomme
Société Générale Cross Asset Research
Christophe Quarante
Financière d'Uzès
Catherine Vial

SHARE PRICE IN €

	2012	2013	2014	2015	2016
Highest	19.70	14.55	14.11	19.5	19.2
Lowest	10.86	9.42	10.51	12.1	13.0
Year-end price	13.00	13.80	12.20	14.1	18.7
Change in the year	+10.7%	+6.2%	-11.6%	+15.6%	+32.6%
CAC Mid & Small change in the year	+20.5%	+26.7%	+8.4%	+18.2%	+7.2%
Market capitalisation at 31.12 in millions of euros	514	546	482	558	740
Average number of shares traded daily	18 319	17 524	12 267	13 567	19 784
Number of shares traded annually	4 689 715	4 463 012	3 128 126	3 473 000	5 084 402
Number of shares at 31.12	39 548 949	39 548 949	39 548 949	39 551 949	39 557 449
Share turnover rate	11.9%	11.3%	7.9%	8.8%	12.9%

THE MANITOU SHARE IS LISTED ON EURONEXT PARIS

• EUROLIST compartment B
ISIN code: FR0000038606

CAPITAL SHAREHOLDERS:

Amount of capital at 31.12:
€39,557,449

STOCK MARKET INDEXES:

CAC All-Tradable, CAC Ind. Engin. CAC Industrials, CAC Mid & Small, CAC Small, Enternext PEA PME 150 Euronext® Family Business

SHARE MANAGEMENT:

· **Establishment in charge of managing shares**
Société Générale Securities Services

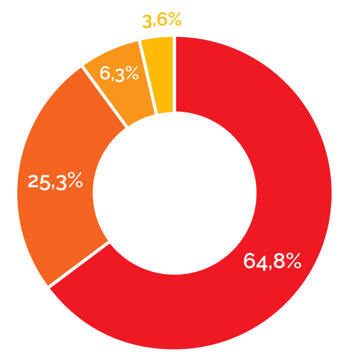
· **Market-making contract**
Portzamparc Société de Bourse SA

RESPONSIBLE FOR FINANCIAL INFORMATION

Hervé Rochet
Corporate Secretary - CFO

PEA-PME ELIGIBLE

PEA PME



MAIN SHAREHOLDERS

64.8%	Braud and Himsworth families
25.3%	Stock market and others
6.3%	Yanmar
3.6%	Self-owned shares

EXECUTIVE COMMITTEE

Michel Denis [1]
President and CEO

Fernand Mira [2]
President MHA Division

Maxime Deroch [3]
President S&S Division

Richard L.Alton [4]
*President CEP Division**

Laurent Bonnaure [5]
EVP, Sales & Marketing

Guillaume Rabel-Suquet [6]
EVP, Human Resources

Hervé Rochet [7]
Corporate Secretary, CFO

*Since 17/04/2017

VISION AND STRATEGIC PRIORITIES

Michel Denis
President and CEO

2016, another strong year for the Manitou Group and a year of consolidation as we worked towards achieving the targets we set ourselves in our 2014-2018 roadmap. This is evidenced by our commercial development, our increased market shares, our ability to develop new products and services, as well as our expanded international presence, marked by the inauguration of our production site in Brazil and the opening of our new subsidiary in Malaysia.

The year unfolded against the economic backdrop of a strong construction recovery in Europe. The situation remained less clear-cut in other geographic areas, with the United States seeing an improvement at the end of the year arising from better economic prospects. The agricultural sector also followed this trend, with an upturn in investments linked to the success of the new "NewAg" range, launched at the end of 2016. Added to that, the industrial sector has also seen an acceleration of activity, and Manitou has consolidated its position within it.

All these results were the consequence of the strong involvement of the group's teams, our network of dealerships and all our customers.

Overall, the annual sales revenue growth of 5% at constant exchange rates, the increase in our recurring operating income of 17% and finally the growth in our net income of 33% — compared with 2015 — consolidated our progress towards our objectives and ensured that we are able to continue to develop.

A sharp increase in orders across all markets at the end of 2016, the improvement in the operational performance, the launch of new machines and services, the first connected machines, the progressive digitalisation of the group and the progress made by the Services and Solutions division, are all areas in which the Manitou Group made solid progress.

In addition, the acquisition of the company TEPL in India during the first half of 2017 gives us a positive outlook for our growth in 2017.

CLIENTS

To place customer satisfaction at the heart of our actions

To get ahead of the competition by gaining market shares

MACHINES AND SERVICES

To design competitive machines and services

To prepare for the future by inventing the solutions of tomorrow

ORGANIZATION

To reinforce the entrepreneurial dimension and increase our competitiveness

To accelerate our capacity to deliver by reducing our complexity

WITH THE TEAMS

To make each employee aware of his/her responsibilities

To provide the possibility for development

To promote an enterprising spirit

AN ECONOMIC MODEL THAT CREATES VALUE

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

DESIGNER

PRODUCT INNOVATION, THE KEY TO A SUCCESSFUL DEVELOPMENT STRATEGY

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 equipments have a constant competitive edge that is much appreciated by all of their users.

MANUFACTURER

A POWERFUL, HIGHLY FLEXIBLE INDUSTRIAL TOOL

In a move to adapt to fluctuating demand and the specificities of the different markets, the Manitou group has built its industrial tool around three guiding principles: the development of the know-how in manufacturing structure assemblies (such as frames, booms and masts), the flexibility and responsiveness of its supply chain and the use of its high-skilled assembly and fitting capabilities.

DISTRIBUTOR

ROBUST NETWORKS 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 material handling equipment, who are the flag bearers of the group's brands, sharing the same commitment with their manufacturer. In offering a comprehensive range of services via its networks, from financing the equipment to its maintenance, the group meets the increasing pressing demand from customers for personalized service in tune to their requirements, which will allow them to optimize their use of the equipment.

PROVIDING SERVICE AND VALUE

THROUGHOUT THE PRODUCT'S LIFE CYCLE

The manufacturer focuses its attention on listening to its customers, satisfying their needs and seeks 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. The objective: to search for the best performance, the greatest usage comfort and the highest level of reliability, including awareness of fuel consumption and product's second life control.

INNOVATION FOCUS

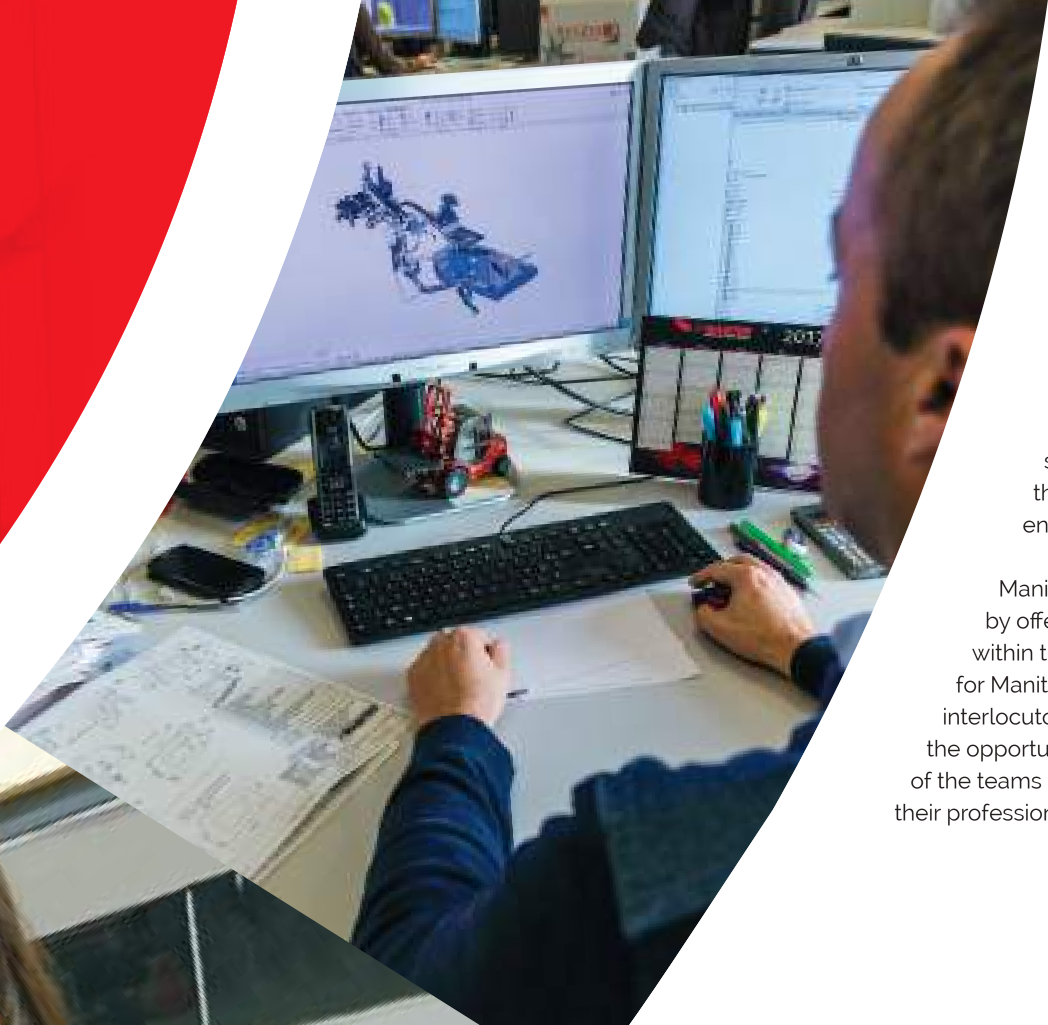
The strength of a leader lies in the ability to be the first to provide the best solutions that meet specific needs, market by market, customer by customer. For over 60 years, the Manitou group has placed innovation at the forefront of its organisation and activities. With **five engineering offices** spread over its various entities and an **in-house designer**, the group develops new machine concepts as well as new attachments, technologies and services.

The new **agricultural range, MLT NewAg**, was presented at the end of 2016 to more than 600 dealers from the whole of Europe. It is made up of 9 models divided into 4 types of transmission, and meets the current and future expectations of farmers. The R&D teams have worked to create a new design specific to this range. The work of the purchasing teams has made it possible to take advantage of the best innovative components with controlled costs. The launch of this range has had the advantage of all the advances in terms of industrial flexibility, optimization and respect of delivery times. Finally, the **NewAg** will perpetuate the image of reliability which has made the reputation of Manitou products for more than 60 years, and which confirms the desire of the group to accelerate the renewal of its ranges.

Easy MANAGER, the connected solution from the Manitou group has evolved particularly due to the **CAN-bus** technology allowing real time access to the machine's key data, such as fuel consumption or engine temperature. It enables to perform remote diagnostics for the machine and to geolocate it before a technician arrives to work on it, thus performing faster maintenance. The user accesses his data whenever he wishes via the platform or the **Easy MANAGER** application. He can then set up activity reports aimed at optimizing the use of his machine and therefore control its resale value better. This novelty opens up hitherto unseen application and information fields for the service of users and distributors for better operational monitoring of the machine throughout its service life. In house, this solution also contributes to constant improvement of the machines and services offered.

New telescopic articulated loaders, the **Gehl T650 and T750** and the **Mustang 608T and 708T** were previewed in Germany at the EUROTIER show at the end of 2016. The extended boom and high capacity of these articulated loaders were designed for the agriculture sector as well as the opportunity to expand into new markets globally. Other significant products that will be released include the **Gehl VT320** and the **Mustang 3200VT** expanding the track loader family into the heavy-load market. Throughout 2017 the **CEP** division will be launching 11 new products under the Gehl brand and 8 new products under the Mustang brand.

COMMITTED, ENTHUSIASTIC TEAMS



Cultivating the entrepreneurial spirit

The Manitou group is made up of enthusiastic men and women, as ever driven by the desire to be entrepreneurial and to conquer new markets, offering many opportunities for growth. This state of mind is at the heart of the company's culture.

Based on confidence, the Manitou management aims to innovate, experiment, challenge and take responsibilities. With the wealth of the diversity of its staff profiles and the resulting sharing of experience, the group is committed to an approach of continuous improvement for its machines, services and procedures, all at the service of the customer experience.

72% OF STAFF ARE **COMMITTED***

*Result of the study performed by HAYS in 2016 with all the group employees on the criteria of loyalty, pride, recommendations and quality of life.

Thriving in an international, yet family group

Although Manitou is an international group, the company has retained family shareholdings. This guarantees a long-term vision and a strong culture. The three strong, unifying pillars are proximity, solidarity and benevolence. The Manitou group, convinced that collaboration is as strong a driver as competition, encourages team spirit in its organizations.

Manitou also encourages the development of its staff by offering them stimulating development opportunities within the group, in France and abroad. In this way, working for Manitou means being in regular contact with international interlocutors, working on global problems and having the opportunity to travel or work abroad. Finally, the well-being of the teams is the subject of attentive monitoring to improve their professional environment daily.

TO MAKE DIVERSITY **A STRENGTH**

The Manitou group is aware that diversity is a performance lever, so it is intensifying its actions to encourage the promotion of diversity. Professional gender equality, intergenerational cooperation by welcoming young people in training and the strengthening of our policy for people with disabilities are all actions led by our teams.

Legal R&D Supply Chain Marketing
Communications CSR Sales INTERNAL CONTROL AND AUDIT
Projects Sales administration PRODUCTION
Finance STUDIES After-Sales Service Information systems
Human Resources Quality PURCHASING

CORPORATE
SOCIAL RESPONSIBILITY

By following Corporate Social Responsibility (CSR) in each of its actions the Manitou group is clearly stating its aim of making sustainable development the core of its strategy and governance. In order to anticipate better and strengthen the link with its stakeholders the group is committed to providing its customers with sustainable material handling, to building partnerships with its suppliers and to empowering all of its staff to this virtuous dynamic.

Our CSR approach, the **Elevation plan**, is directly endorsed by the Executive committee with the strong support of the Board of directors.

Since 2015 the Manitou group has joined the UN Global Compact. This adherence has committed us to integrating each of these principles into our strategy, our culture, our operations and our stakeholder relations.

THE ELEVATION PLAN

Provider of sustainable solutions

Powered by Manitou Group

In close partnership with our supply chain

The value of Manitou Group's machines and services lies in the functionality brought by their usage: they **facilitate, secure, make more productive** and transform uses.

HIGHLIGHTS FOR 2016,
FROM THE DESIGN OF A MACHINE TO ITS END OF LIFE

ELEVATION 2016

Sustainable Design

- Measuring & improving fuel consumption of machines (REDUCE Fuel)
- Formally setting up an ecodesign working group
- Work on an ecodesign checklist
- Inclusion of the total cost of ownership from the design stage (REDUCE TCO)

Recycling and Recovery

- Mapping of substances and materials at end of life
- Work on dismantling capability

Reuse and Used Parts

- Second-hand market
- http://used.manitou.com
- Spare Parts Logistics Centre
- Repair & Maintenance Information (RMI)

Extension of service life

- Corrective and preventive maintenance
- Reduction of the total cost of ownership
- Safety & comfort of operators
- Original parts
- Maintenance contracts

New modes of consumption

- "ALL-IN" offers
- Easy Manager
- Eco-driving: training & guidance
- Warranty extensions
- Development of the REDUCE Risks program

Committed employer

- 87% response rate to internal satisfaction survey
- Women by Manitou Group network
- Internal CSR communication,especially through "Elevation Days" (sustainable development week)
- Territorial anchoring and sponsorship

Responsible Purchasing

- 180 suppliers signatories to the Responsible Purchasing Charter
- CSR rating of suppliers
- Promoting CSR good practice among suppliers
- Co-development and productivity of initiatives

Optimized Procurement & Distribution

- CSR self-assessment by carriers
- Calculator for optimizing the effective volume of trucks

Clean and safe production

- Energy and waste reduction plan
- Emission control
- TMS Pro (Musculo-Skeletal Disorders)
- DANTOTSU approach for the analysis of work-related accidents
- ISO 9001/14001 Audit

MHA
DIVISION

MATERIAL HANDLING AND ACCESS

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

Its primary product ranges are: fixed telehandlers, rotating telehandlers, high-tonnage telescopic handlers, all-terrain, semi-industrial and industrial masted forklifts, articulated loaders, all-terrain, thermal, electric and bi-energy access platforms, but also truck-mounted forklifts and warehousing equipment. MHA develops and manufactures its products on site at its facilities in Ancenis, Beaupréau, Candé, Laillé (France), Castelfranco (Italy), Waco (USA) and Vinhedo (Brazil).

€907M
1,547 employees

2016 FOCUS

2016 not only confirmed the favourable trends observed in 2015, but in a number of areas also accelerated the operational implementation of the four key policies of the 2018 MHA roadmap, i.e.:

1. **PRODUCT LEADERSHIP**
2. **INDUSTRIAL AGILITY**
3. **PRIDE and COMMITMENT**
4. **PROFITABILITY and LONG-TERM SUSTAINABILITY**

For instance, in 2016, the four Product Units that make up the MHA division delivered an operational performance that contributed significantly to the group's results, while staying on course with objectives involving structuring industrial projects and cost reductions. Above all, 2016 demonstrated the ability of all the teams to deliver new products on schedule. The new range NewAg, launched at the end of 2016, is a prime example and is already proving to be a major commercial success.
2016 also confirmed the continuous improvement of the criteria and results relating to safety and the environment. MHA continued its ambitious industrial equipment renewal and upgrading programme. Finally, staff training and quality of work life were also brought to the fore by staff in 2016, during the course of an internal survey conducted by the group's Human Resources department.

In 2017, MHA will focus its efforts and mobilise its organisation on:
- the provision of new ranges of products, including ranges of masted forklifts, telehandlers and access platforms
- strengthening cost-reduction programmes aimed at limiting the impact of the rising cost of raw materials seen in the second half of 2016
- plans for internationalising manufacturing and/or outsourcing
- continued industrial investments aimed at boosting overall performance, flexibility, productivity and the security of people and property.

Grouped together in the "Compact Equipment Products" division, the 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 the group's three markets — agriculture, construction and industries — the division's main ranges of products are: Gehl and Mustang tracked and wheeled skid-steers, mini excavators, skid-steer loaders, articulated loaders and telehandlers for the American market.

€203M
624 employees

CEP DIVISION

COMPACT EQUIPMENT PRODUCTS

2016 FOCUS

Throughout the year, the CEP division focused on innovation for markets and applications requiring compact equipment, and the development of niche products.

Taking into account the needs of the end customers and the economic constraints faced by our dealers, our engineers worked on designing and producing 11 new Gehl brand models and 8 new Mustang brand models (skid-loaders, wheeled and tracked skid-steer loaders, articulated telehandlers, etc.).

All these new models were subject to strategic planning, to meet the requirements of the rental and construction markets, as well as those of agriculture, recycling and landscaping. A particular effort was also made to improve the simplicity and the total cost of ownership (TCO) of the models. New services were also developed in 2016, complementing the range of products / attachments: maintenance kits and warranty extensions for the XPRT brand, as well as financing and leasing offers.

Always keen to increase the safety, performance and competitiveness of its products, the CEP division invested heavily in telematics and robotics in its plants in Waco (Texas), Madison and Yankton (South Dakota).

All these developments contributed to customer satisfaction and opportunities for future growth.

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 proper range of related services to address market expectations: spare parts, after-sales service, financing, full service, warranty contracts and extensions, buy-back options, etc.

These services have been developed in partnership with our dealers through an extensive and professional network. They enable us to stand out from competitors and innovate, a testament to the loyalty and close relationship we have garnered with our customers. Because this service component is so important, Manitou Group created a dedicated division in early 2014 to bring all of these services under a single entity — Services and Solutions — to develop an efficient service offering, perfectly tailored to current customers' concerns.

€225M
505 employees

2016 FOCUS

The S&S division roadmap, drawn up at the end of 2014, consists of five main areas of focus:

- The development of "turnkey" solutions tailored to the particular features of each market and geographical area
- Connected machines
- Multi-channel marketing
- Providing excellent customer service
- Management of change, both internally and externally.

2016 was a prolific year, with the launch of numerous solutions:

- In Europe, a new offering called "ALL IN" enables dealers to offer their customers an all-inclusive solution. Customers pay for the machine as they use it. For its rental and key-account customers, a "Customer Service Platform" (CSP) has been set up, to provide a single point of contact for all after-sales issues between the rental company and the group. This platform was developed in Germany and will now be gradually rolled out to the rest of Europe and the world.
- Emphasis was placed on the development of ranges of reconditioned spare parts, enabling customers to make savings, while at the same time improving the group's environmental footprint.

2017 marks a continuation of the roadmap, with priority given to digital resources and transforming big data into smart data. The launch, in the first quarter, of the spare parts e-commerce site, produced in collaboration with the dealership network, is a prime example of this.
These developments open up new prospects for growth, through transforming modes of marketing and tracking machines.

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

30%
2016 revenue

CONSTRUCTION

BUILDING
TODAY'S WORLD
FOR TOMORROW

46%
2016 revenue

INDUSTRIES

A HANDLING
SOLUTION
FOR EVERY INDUSTRY

24%
2016 revenue

APPLICATIONS
MARKETS

SATISFYING
CUSTOMERS ALL OVER
THE WORLD, WHILE
CREATING VALUE FOR THEM

SALES REGIONS

AMERICAS

€ **263**m

2016 revenue

NORTHERN EUROPE

€ **496**m

2016 revenue

APAM*

€ **128**m

2016 revenue

*Asia, Pacific, Africa, Middle-East

SOUTHERN EUROPE

€ **445**m

2016 revenue

2016
REGISTRATION DOCUMENT

MANITOU GROUP

REGISTRATION DOCUMENT FILED WITH THE AMF

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The original French version of this registration document was filed with the French Financial Markets Authority (AMF) on April 17, 2017, in accordance with Article 212-13 of its general regulations. It may be used to support a financial transaction if it is accompanied by a circular approved by the AMF. This document was produced by the issuer; its signatories may be held liable for its contents.

The registration document includes the annual financial statements to December 31, 2016.

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1.1 KEY FIGURES

KEY CONSOLIDATED FIGURES

in millions of euros (except for headcount)	2015	2016
Net sales	1 287	1 332
Recurring operating income	61	71
Operating income	57	70
Operating income including net income from equity associates	60	72
Net income attributable to the equity holder of the parent	32	43
Shareholders' equity	495	512
Balance sheet total	962	1 020
Dividend for the year reported paid (or proposed) in the following year (in euros)*	0,36	0,43
Cash flow	56	62
Net debt**	66	59
Total headcount as at December 31	3 214	3 301

** Subject to approval of the 2016 financial statements by the Shareholders' Meeting*

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

SHAREHOLDER STRUCTURE AT DECEMBER 31, 2016

Market capitalization at December 31, 2016: €740 million

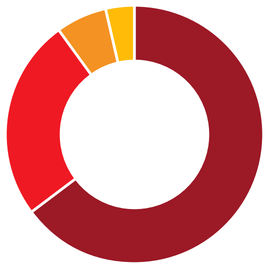
Share price at December 31, 2016: €18.70

Number of shares 39,557,449

Indices: CAC ALL-SHARE, CAC ALL-TRADABLE, CAC IND. ENGIN., CAC INDUSTRIALS, CAC MID & SMALL, CAC SMALL, ENTERNEXT PEA PME 150, EURONEXT® FAMILY BUSINESS INDEX.

Eligible for long DSS (Deferred Settlement Service) only

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.

1970s Beginning of the group's internationalization: creation of distribution subsidiaries in the UK, Italy, etc.

The start of distribution of Toyota industrial forklift trucks in France.

1980s 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* launched on the "Second Marché" (secondary securities market) in France.

1989 Launch of the first telehandlers for the agricultural industry.

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

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

2000s Continuation of the Group's internationalization in Canada, Australia, China, Poland, Russia, Chile, Romania and India.

Celebration of the 200,000th Manitou 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 to strengthen the Group's presence in North America and take advantage of complementary product portfolios. Gehl becomes a wholly owned subsidiary of Manitou BF from November 1, 2008.

Manitou celebrates its 50th anniversary.

2009 Economic crisis, resulting in a financial crisis and a 54% decrease in sales. Celebration of the Gehl brand name's 150th anniversary.

2011 Merger with the holding company SFERT as part of a reorganization of family control. Opening of subsidiaries in Latvia, Brazil and India.

2012 End of the Toyota distribution partnership in France.

Launch of a new range of Manitou industrial forklifts in France.

Signature of a partnership agreement with Yanmar in North America.

2013 Announcement of the end of the mast assembly contract with Toyota France (TIE SA) from January 1, 2015.

Yanmar acquires a 6.26% stake in Manitou's capital.

2014 Michel Denis appointed President and CEO.

2015 The Manitou Group joins the United Nations Global Compact, pledging to communicate annually the actions taken and results achieved from the implementation of the Compact's 10 principles (human rights, working conditions, environment, etc.).

** The company is referred to as either "Manitou" or "Manitou BF" throughout this document.*

2016 HIGHLIGHTS

February The group opens a Manitou Center in Malaysia to improve its service offering to local customers and develop its activities in the region. This is the first Manitou Center in Asia.

April Participation in Bauma in Munich, the biggest trade show in the construction sector. Twelve new models are presented, including a new, ultra-compact telehandler and a new rotating telehandler.

May Participation in CEMAT in Hanover, the international industrial equipment show. Seven new models of electric trucks are presented, along with two new items of warehousing equipment.

June Three awards at the 10th Trophées des Achats: the Business Innovation Award, the Supplier Relations Award and the Purchasing Department and Team of the Year Award.

July Manitou buys back 2.8% of its own shares from Toyota Industries Corporation. The buyback follows the end of the industrial partnership agreements between the two groups, which took place in December 2014.

August Inauguration of the new subsidiary in Vinhedo, Brazil. The Manitou group strengthens its presence in Latin America with a plant that manufactures telehandlers for the construction industry.

September The group is awarded first prize for Corporate Governance for Mid-Size Companies. Organized since 2004 by L'Agefi magazine, the Grands Prix du Gouvernement d'Entreprise reward outstanding corporate governance practices among CAC 40 groups and SMEs.

Inauguration of the Manitou Southern Africa subsidiary's new premises in Chloorkop, near Johannesburg, in South Africa. The subsidiary has moved into larger, better-equipped premises to offer improved customer service in response to the significant growth in the region in recent years.

October Launch of the new MLT NewAg telehandlers, with nine new models offering four different transmission systems. The range is designed exclusively for the agricultural market.

Appointment of Laurent Bonnaure as Executive Vice President Global Sales & Marketing and member of the Executive Committee. As well as being responsible for the group's sales and marketing strategy, he is in charge of all the distribution subsidiaries and global sales and marketing teams, and runs the global dealer network.

November Participation in the Bauma China international trade show. The event is dedicated to the construction sector and offers Manitou the opportunity to reaffirm its ambitions in Asia, with a range of products and services that increasingly reflect market needs in the region.

December The Manitou group finalized the terms and extension of its credit agreement signed in June 2013, for a further €180 million and new five-year maturity date, with a possible two-year extension.

1. MANITOU AND THE GROUP

1.3 THE GROUP'S MAIN BUSINESSES

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

The group is organized around three operating divisions: two 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, articulated loaders, masted industrial and rough terrain forklifts, truck-mounted forklifts and aerial work platforms.
– **The CEP division** (Compact Equipment Products division) develops and produces skid-steer loaders, track loaders, articulated loaders and telehandlers under the Gehl and Mustang brand names.
– **The S&S division** (Services & Solutions) combines all sales service activities (financing, warranty contracts, maintenance and full service contracts, fleet management, etc.), 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 develops its service offers 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 led by the sales and marketing division, which both develops the network of business partners (dealers) and builds direct relationships with key accounts (international groups and rental companies). The group is active in 140 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), 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, 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 tradesmen (masons, roofers, etc.) and regional, national or international rental companies. They work in the residential, non-residential and renovation industries. These users are looking for straightforward, multi-purpose products, whose handling capabilities make them ideal for efficiently distributing materials on construction sites. A large number of attachments (bucket, jib, winch, etc.) 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 agricultural sector is engineered to withstand intensive daily use. It consists of six to ten meter telehandlers, which can be equipped with a multitude of attachments (bucket, mixing bucket, clamp, etc.) for performing common day-to-day tasks (scraping animal houses, cleaning, feeding cattle, unloading silos, handling bales 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 finishing 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 touch of a finger.

ROTATING TELEHANDLERS

The rotating telehandlers quite simply allow loads or people to be lifted to heights varying from 14 to 32 meters with a capacity of up to 7 tons, making them the highest-capacity telehandlers in the world.

The very broad range of attachments available and the 360° rotation make them the most general-purpose machines for any construction site, including the production of art works.

"PERFORMANCE" HIGH TONNAGE FORKLIFT TRUCKS

Our high performance, rough terrain equipment allows us to offer specialized handling solutions for the environmental, mining and industrial sectors, as well as to institutional customers such as the armed forces, and organizations such as the UN, civil protection bodies, etc.

This equipment, with attachments such as tire clamps or cylinder handlers, can be used to maintain large, heavy machinery.

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

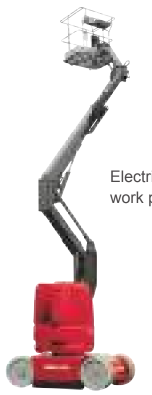
AERIAL WORK PLATFORMS FOR WORKERS

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 electric motors for indoor use. A range of "bienergy" articulated aerial work platforms are equipped with an internal combustion engine and an electric motor, so that its batteries can be recharged without using on-site transformers.

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

Rough terrain, internal combustion aerial work platform



Electric aerial work platform

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 to work on any terrain.

These rough terrain forklift trucks are used to transport long, bulky and heavy loads everywhere. Sturdy and simple to use, they are comfortable on the most rugged terrains.

INDUSTRIAL AND SEMI-INDUSTRIAL MASTED FORKLIFT TRUCKS

Manitou designs and develops a wide range of products for use in industrial handling:

– **semi-industrial masted forklift trucks** for use both in outdoor environments on unstable ground (sidewalks, graveled surfaces, etc.) and inside buildings or warehouses,
– **internal combustion industrial forklift trucks**, developed by Manitou and produced by an industrial partner, capable of moving on fully stabilized ground, outdoors,
– **electric industrial forklift trucks** purchased from a partner, for indoor use.

TRUCK MOUNTED FORKLIFTS

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

The days of waiting for a forklift truck to become available before unloading are over. A forklift mounted directly on the truck gives the trucker total autonomy and provides a complete handling service.

Truck-mounted telehandler

Truck-mounted masted forklift

WAREHOUSING EQUIPMENT

Warehousing equipment is distributed under the Loc and Manitou brand names and is designed for warehouse handling activities. Numerous adaptations allow the equipment to be used for specific purposes.

▪ CEP DIVISION – COMPACT EQUIPMENT

The Compact Equipment Products division designs, assembles and distributes compact handling equipment. The breadth of its product catalog 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 compact handling products. They are steered by locking the wheels on one side of the machine, allowing them to pivot 360° on the spot. Their small size means they can be used in cluttered environments. These simple, robust machines can be equipped with multiple attachments, enabling them to be used for a wide range of applications.

The main businesses using skid-steers are the construction and agricultural sectors, 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. This type of equipment is mainly used for construction and agriculture.

TELEHANDLERS

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

ARTICULATED LOADERS

The articulated loaders designed and assembled by Manitou Americas are multi-purpose machines used for handling and load recovery in confined spaces. The range of products developed by the division is focused on low to mid-capacity compact equipment. A new range of high capacity loaders was presented at trade shows in 2016.

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 range.

S&S DIVISION – SERVICES AND SOLUTIONS

The Services & Solutions division is responsible for developing a whole range of services designed to meet the needs of end users or dealers to facilitate the purchase, use and maintenance of the machines.

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

SPARE PARTS

The division has two main platforms for storage and shipping in the United States and 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 time frame. For regions further away from the platforms, some of the group's distribution subsidiaries are also equipped with logistics platforms for improved responsiveness.

ATTACHMENTS

Manitou develops a broad range of attachments to increase the number of potential applications for its machines.

Standard or custom-made attachments support multiple uses of our machines, which is essential for customers.

FINANCING

The Manitou group offers sales financing solutions to support its customers' individual development.

It has joined forces with several financial partners to develop traditional financing offers but also customized rental financing, potentially combined with the corresponding equipment maintenance service.

FLEET MANAGEMENT

In order to respond to the operational needs of certain key accounts, the Services & Solutions division offers direct management of the maintenance of industrial forklift trucks and other leased equipment (including a full-service contract and long or short-term rentals). The Manitou group has also developed "easy manager" telematic fleet management solutions for remote monitoring of equipment.

WARRANTY EXTENSIONS / MAINTENANCE CONTRACTS

The Services & Solutions division offers maintenance contracts and warranties of up to five years, depending on the product, so that its customers can concentrate on their businesses without worrying about the costs of maintenance and repairs inherent in using the group's products.

TRAINING

The Services & Solutions division regularly organizes training for dealers, distribution network technicians and customers who want it, with the aim of ensuring consistent, high-quality servicing and maintenance throughout the world.

Training sessions are delivered at production sites in France or the United States but also locally at certain subsidiaries, with the aim of enabling our networks to be trained rapidly on any developments in our equipment.

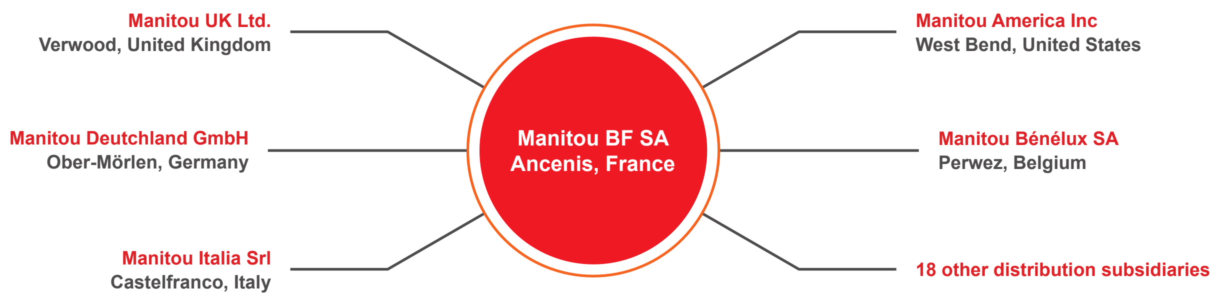
SECOND-HAND EQUIPMENT

The Manitou group, through its Services & Solutions division, also offers second-hand equipment aimed at dealers and customers. As a result, 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 ORGANIZATION CHART AT DECEMBER 31, 2016

The detailed list of subsidiaries is available in note 32 of the notes to the consolidated financial statements.



THE GROUP'S 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 Products 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	2016	2016
Net sales	\$357.6m	€322.3m	\$329.0m	€297.2m
Net income	-\$0.8m	-€0.8m	-\$1.7m	-€1.5m
Headcount at end of period		714		714

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	2016
Net sales	€180.5m	€212.3m
Net income	€6.7m	€5.6m
Headcount at end of period	261	260

MANITOU UK LTD

Ebblake Industrial Estate

Verwood - Dorset BH31 6BB – 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	2016	2016
Net sales	£114.1m	€157.2m	£95.6m	€116.7m
Net income	£2.0m	€2.8m	£1.7m	€2.1m
Headcount at end of period		41		41

MANITOU DEUTSCHLAND GMBH

Diesel Strasse 34

61239 Ober Mörlen – Germany

A 100% owned subsidiary of Manitou BF

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

IFRS	2015	2016
Net sales	€78.3m	€81.3m
Net income	€1.2m	€1.4m
Headcount at end of period	30	34

MANITOU BENELUX SA

Rue des Andainsl

1360 Perwez – Belgium

A 100% owned subsidiary of Manitou BF

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

IFRS	2015	2016
Net sales	€88.2m	€100.6m
Net income	€1.5m	€1.8m
Headcount at end of period	21	20

1.5 PROPERTY, PLANT AND EQUIPMENT

EXISTING PROPERTY, PLANT AND EQUIPMENT

The main wholly owned buildings are:

Country	Location	Approximate floor space in square meters	Main functions
France	Ancenis, 44	84 800	Headquarters for the group and the MHA and S&S divisions, research center and assembly of fixed telehandlers.
	Ancenis, 44	30 000	Spare parts logistics center.
	Candé, 49	9 500	Research and production center for aerial work platforms.
	Laillé, 35	10 000	Production center for compact telehandlers.
	Beaupréau, 49	2 200	Research and production center for warehousing equipment.
	Beaupréau, 49	8 000	Research and assembly center for masted and truck-mounted forklift trucks.
Italy	Castelfranco, ER	18 600	Research and assembly center for high tonnage and rotating forklift trucks.
South Africa	Johannesburg	15 000	Offices and assembly center, particularly for high tonnage forklift trucks for the mining sector.
United Kingdom	Verwood	2 800	Offices, preparation and storage workshop.
United States	West Bend, WI	14 000	Headquarters and research center for the Compact Equipment Products division.
	Madison, SD	24 000	Production center for skid-steers.
	Yankton, SD	16 900	Production center for telehandlers for the Compact Equipment Products division.
	Waco, TX	11 600	Assembly center for masted, truck-mounted and articulated forklift trucks.
Singapore	Singapore	3 900	Offices, preparation and storage workshop for spare parts.

MAIN RENTED BUILDINGS

Country	Location	Approximate floor space in square meters	Main functions
United States	Belvidere, Il.	16 400	Spare parts center.
Brazil	São Paulo	3 500	Assembly center for telehandlers for the South American market, offices, training center and storage facility.

2. MANAGEMENT REPORT 2016

IN 2016,

sales growth for Manitou Group is 3.5% at 1,332 M€. This increase is due to the dynamism in the Southern European region. In 2015, activity saw significant growth in Northern Europe.

In line with industrial efforts undertaken to improve the agility of its production lines, Manitou Group has continued to invest in its production tool to achieve better operational responsiveness in order to support its customers in their development and increase its market share.

The MHA division (material handling and access) saw its turnover increase 9% to 904 M€. It benefits from high sales to rental companies, new products launched at the end of 2015 and during 2016, and a more flexible production tool.

The CEP division (compact equipment products) dropped 15% for a Net sales of 203 M€. Revenues on the US market (-23%) suffered from a decline in sales to large rental companies, due to the slowdown in the mining sector. The US market for track loaders is still very competitive with the arrival of new operators. Despite the impact of the euro/dollar exchange rate, export sales continue to grow (+14%).

The S&S division (Services & Solutions), with Net sales of 225 M€, gained 2% compared with 2015. The parts and attachments distribution activity is stable (+1%) while the services activities (secondhand equipment, rentals, extended warranties, etc.) is up 11%.

Current operating profit is up 10.1 M€ to 70.6 M€ (5.3% of turnover) vs. 60.5 M€ (4.7% of turnover) in 2015.

Growth in turnover and improvement in the margin contributed to the increase in the group's profitability.

Foreign exchange effects, particularly with the pound sterling and the dollar, as well as pressure on sales prices, are offset by gains in purchasing productivity and increased efficiency in production.

Net income attributable to the equity holders of the parent company is 42.9 M€ vs. 32.3 M€ in 2015.

The group's balance sheet increased with shareholders' equity representing 50% of the balance sheet, net debt of 59 M€ and an improved gearing* ratio of 11%.

** Gearing: this term is defined in paragraph 2.2.9 of this document*

2.1 BUSINESS REVIEW

2.1.1 COMMERCIAL PERFORMANCE

Group turnover for 2016 increased 3.5% compared with the previous period, with very mixed market dynamics across the four sales regions:

– Northern Europe saw limited growth of 1%.

In 2016, the UK market dropped back after a year marked by significant activity in the construction market in 2015.

This drop is offset by increased sales in Russia, Scandinavia, Benelux and Germany.

– Southern Europe gained 20%.

Sales in France advanced with a recovery in the construction sector and an increase in sales to rental companies.

Growth is even stronger in Italy and Spain.

– APAM remained stable.

Sales are up in Asia, North Africa, Central Africa and the Middle East. However, political and economic instability in South Africa penalized sales in the region. Oceania has still not seen a recovery of activity in the mining sector.

– The Americas dropped 12%.

Sales are down in the United States and Canada, where the compact equipment business represents 70% of turnover. Central America benefited from increased activity levels, particularly in Mexico. Turnover in South America is down based on problems importing into Argentina and a sluggish economic climate in Brazil.

2.1.1.1 CONSOLIDATED NET SALES

The group is structured into three products and services divisions, which have shared sales teams distributed across four geographical regions.
The group owns the Manitou, Gehl, Mustang, Edge and Loc brands.

SALES PERFORMANCE BY DIVISION AND GEOGRAPHICAL REGION

In millions of euros and as a percentage of total breakdown

Net sales 2015						Net sales 2016				
Southern Europe	Northern Europe	Americas	APAM*	Total	in M€ and % of total	Southern Europe	Northern Europe	Americas	APAM*	Total
281.3	399.0	58.4	88.2	826.8	MHA	353.5	397.7	66.8	85.5	903.7
22%	31%	5%	7%	64%		27%	30%	5%	6%	68%
8.7	22.1	193.0	16.0	239.9	CEP	9.9	27.0	149.2	16.7	202.7
1%	2%	15%	1%	19%		1%	2%	11%	1%	15%
79.7	68.3	47.1	25.3	220.5	S&S	80.8	71.2	47.2	25.9	225.1
6%	5%	4%	2%	17%		6%	5%	4%	2%	17%
369.7	489.4	298.5	129.5	1 287.2	Total	444.3	495.9	263.2	128.2	1 331.5
29%	38%	23%	10%	100%		33%	37%	20%	10%	100%

** Asia, Pacific, Africa, Middle East*

VARIATION AT CONSTANT EXCHANGE RATE

Net sales in M€ % vs. net sales 2015	Net sales 2015	Foreign exchange impact	Variation excluding foreign exchange	Net sales 2016
MHA	827	-17	+94	904
		-2%	+11%	+9%
CEP	240	0	-37	203
		+0%	-15%	-15%
S&S	221	-4	+8	225
		-2%	+4%	+2%
Total	1287	-21	+65	1 332
		-2%	+5%	+3%

SALES PERFORMANCE BY DIVISION

SALES TRENDS - MATERIAL HANDLING AND ACCESS DIVISION (MHA)

In 2016, turnover for the MHA division increased 9% compared with 2015, i.e. +77 M€. The division represents 68% of group turnover in 2016 vs. 64% for the previous year.

The extension of the range and the launch of new machines, the gain in market share and the trends on our markets are the drivers for this growth.

– MHA activity in Southern Europe

In Southern Europe (353.5 M€, +27%), the group continued with its development, particularly with hiring clients who are sensitive to the total cost of ownership of the machines, on which Manitou continues to work via its Reduce program (see chapter 4).

Sales advanced 20% in France, where the construction market is booming. The division also benefits from the tax concession granted to its clients on the acquisition of capital goods (the Macron law).

Turnover on the Iberian peninsula as well as in Italy also increased more than 25%, benefiting from the increase in construction programs and an agricultural market that is still in a good state of health.

– MHA activity in Northern Europe

Turnover in the region (397.7 M€) remained stable compared with 2015.

The region saw significant growth in the construction sector (excluding the United Kingdom) and in industry, whereas the agricultural market is in decline, because of commodity prices.

The UK market, after two years of strong growth, saw a downturn, which resulted in a drop in sales across all materials (-27%). The division also suffered from a loss of competitiveness because of the increase in the euro against the pound sterling.

Sales in Central Europe weakened 5%, due to the size of the agricultural market in this region.

The drop in sales in these two regions is offset by the growth realized in Germany and Benelux, which is greater than 10%, and Russia, where turnover is doubled, although it is still below its previous high points.

– MHA activity in the Americas

The American continent (67 M€) saw growth similar to 2015's figure, at +14%.

Turnover for the Americas, where rotating telescopic handlers and high tonnage saw increasing interest, has increased significantly. Production of MHA equipment in Europe for sale in the United States brings the benefit of competitive advantage in view of the euro-dollar exchange rate.

Sales in Central America saw a sustained improvement. South America continues to lag behind, despite the increase in sales in Brazil, due to a difficult construction market and low investments by clients in the mining sector (low mineral prices).

– MHA activity in the APAM region

Turnover in the region (85.5 M€) is down slightly (-3%).

This sales region includes countries where the use of handling equipment is conventional, and emerging markets where the use of machines is increasing gradually.

Sales on the African continent are down, penalized both by the lasting crisis in the mining sector, the economic and political crisis in South Africa, and low oil prices that affect the local economy (limits on currency outflows).

The Middle East is still very active and posted a good increase.

Asia posted growth in the region of 7%.

Finally, sales for the division in Oceania are down, particularly on machines intended for construction and on "performance" machines sold for the mining sector.

SALES TRENDS - COMPACT EQUIPMENT PRODUCTS DIVISION (CEP)

Turnover in the CEP division is 203 M€, down 15%, i.e. -37 M€.

Activity in the division is sensitive to changes in the euro-dollar exchange rate, because of the weighting of the turnover realized in the Americas (74%) and production exclusively in North America. The division represents 15% of group turnover in 2016.

– CEP activity in the Americas

At December 31, 2016, turnover stands at 149.2 M€, down 23%.

Activity in the Gehl division in telescopic equipment, sold exclusively to rental companies, is almost halved during the period.

This downturn is due to the low level of investment by rental companies, affected by the decline in shale gas extraction activities. Sales of skidsteers are also down with the arrival of new market operators accompanied by very strong pressure on prices.

The market in loaders also saw a shift from skidsteers to track loaders, which are less invasive on the ground, with an increase in sales in the United States.

– CEP activity in Southern Europe

The division realized turnover of 9.9 M€, up 14% compared with 2015.

Italy contributed significantly to the increase in turnover.

– CEP activity in Northern Europe

Turnover stands at 27 M€ in 2016, up 22%.

This gain is realized principally in Russia, where the division has increased its mini-loaders distribution network.

Sales of articulated loaders increased in Germany, Belgium and Scandinavian countries. These countries benefit from the appeal of new models with increased capacity.

– CEP activity in the APAM region

Turnover increased 4% to reach 16.7 M€.

The division increased its sales of compact loaders in Oceania.

Across the rest of the region, sales are stable overall, despite the decline in competitiveness with the appreciation of the dollar.

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

In 2016, turnover for the division is up 2% at 225.1 M€.

Growth is limited in the parts and attachments distribution activity, at 1%. Service activities gained 11%.

The division represents 17% of group turnover in 2016.

– S&S activity in Southern Europe

Southern Europe is the largest market for the division, representing 36% of turnover for S&S, or 80.8 M€.

The parts and attachments sales activities continued to grow (+2%), principally in Spain and Turkey.

Service activities gained 11% via rentals in Spain and secondhand sales in France.

– S&S activity in Northern Europe

Activity in Northern Europe is up 4% at 71.2 M€, or 32% of turnover for the division.

Northern Europe saw the greatest growth figure for the group in the parts and attachments distribution segment (+6%), thanks to the dynamism in the Russian and Scandinavian markets.

Secondhand sales dropped slightly, a direct effect of the slowdown in sales on the UK market.

– S&S activity in the Americas

Activity remained stable on the continent, at 47.2 M€.

Sales increased in North America with the growth in renting and sales of secondhand equipment. The parts segment suffered from the drop in sales of Gehl and Mustang branded equipment.

Sales in South America are down after the slowdown in the Argentine economy.

– S&S activity in the APAM region

Activity in Asia, Africa and the Middle East is up 2.5% at 25.9 M€, or 12% of turnover for the division.

Sales in Africa are stable because of the unfavorable exchange rate.

Development in this region is driven mainly by the growth realized in Oceania.

2.1.1.2 ORDER BOOK BY DIVISION

The concept of the order book is defined in paragraph 2.2.9 of this document.

By virtue of its services activities and a delivery objective with a very short deadline on parts and attachments, the order book for the S&S division is not a useful indicator for future activity. Only the order books for the product divisions offer a view on the trends in our markets.

The order book breaks down by division as follows:

in M€	31.12.2015	30.06.2016	31.12.2016
MHA	253.0	252.8	316.8
CEP	45.6	51.4	27.5
Group Total	**298.6**	**304.2**	**344.3**

At December 31, 2016, the order book for the MHA division is up 25% compared with the previous year, i.e. +64 M€. Order intakes were particularly strong over the last quarter.

The order book for the CEP division was down significantly by 40%, i.e. -18 M€. Nevertheless, order intakes for the last quarter suggest a more favorable cycle.

2.1.2 BREAKDOWN OF SALES BY INDUSTRY SECTOR

The group designs, assembles and distributes products intended for the construction, agriculture and industrial markets.

IN THE CONSTRUCTION SECTOR, activity is up across the entire European market with the exception of the United Kingdom, which suffered from the instability generated by Brexit.

Construction also continued to grow on the US market.

In 2016, turnover realized on the construction market represents 46% of group turnover, vs. 45% in 2015.

IN THE AGRICULTURAL SECTOR, sales of machines suffered by the slump in grain prices and by milk prices that remained low until September 2016.

Turnover realized by the group in the agricultural sector represents 30% of total group turnover in 2016, down compared with the previous year (33%).

IN THE INDUSTRY SECTOR, the group is present in activities as varied as the manufacturing industry, mining, the timber industry, the oil and gas industry, waste treatment, the processing of materials, and logistics. Turnover in this sector increased with the development of service activities to meet the requirements of these users.

The industry sector represents 24% of group turnover in 2016 vs. 23% in 2015.

2.1.3 COMPETITIVE POSITION

Since its creation, Manitou Group has based its economic model on three primary businesses: design, assembly and distribution. This development strategy has allowed us to focus our efforts on product innovation, the implementation of high-performance, flexible industrial tools, and the construction of solid networks of independent retailers. Our principal competitors have been present in their respective sectors for a number of years.

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

Name	Nationality	Listed/Not listed
JCB	United Kingdom	Not listed
Magni	Italy	Not listed
Merlo	Italy	Not 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	Not listed
Dieci	Italy	Not listed
CNH Industrial	United States	Listed
John Deere	United States	Listed
Claas	Germany	Not listed

For the MHA division, the main competitors in the industry sector are:

Name	Nationality	Listed/Not 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 M€	2015	2016
Net sales	1 287.2	1 331.5
Gross margin	203.1	216.6
% of net sales	*15.8%*	*16.3%*
Recurring operating income	60.5	70.6
% of net sales	*4.7%*	*5.3%*
Other non-recurring income and expenses	-3.4	-1.0
Operating income	57.1	69.7
% of net sales	*4.4%*	*5.2%*
Operating income including net income from associates	59.9	72.1
Financial result	-10.4	-8.2
Income taxes	-16.9	-20.9
Net income attributable to the equity holder of the parent	32.3	42.9

At the end of 2016, group turnover is 1,331.5 M€, up 3.5% (5% on a like-for-like basis). The construction and industry sectors in Europe are the principal drivers for this growth, while sales in the United States slowed down.

The gross margin is 217 M€ (+14 M€). This increase is due to the group's growth and an improvement in the margin rate of 0.6 points. In a very competitive market, the group has succeeded in increasing its margins with productivity gains realized by joining all its partners to identify technical savings and increasing the flexibility of the teams dedicated to the production of machines.

The amount of expenditure on research and development increased 1.0 M€. The proportion of capitalized expenditure increased 3.3 M€, representing a net change in R&D expenditure of -2.3 M€.

In order to support the development of these activities, expenditure on sales and services increased 6.6 M€. These expenses include the opening of new distribution and services centers (“Manitou Centers”) in Malaysia and Germany.

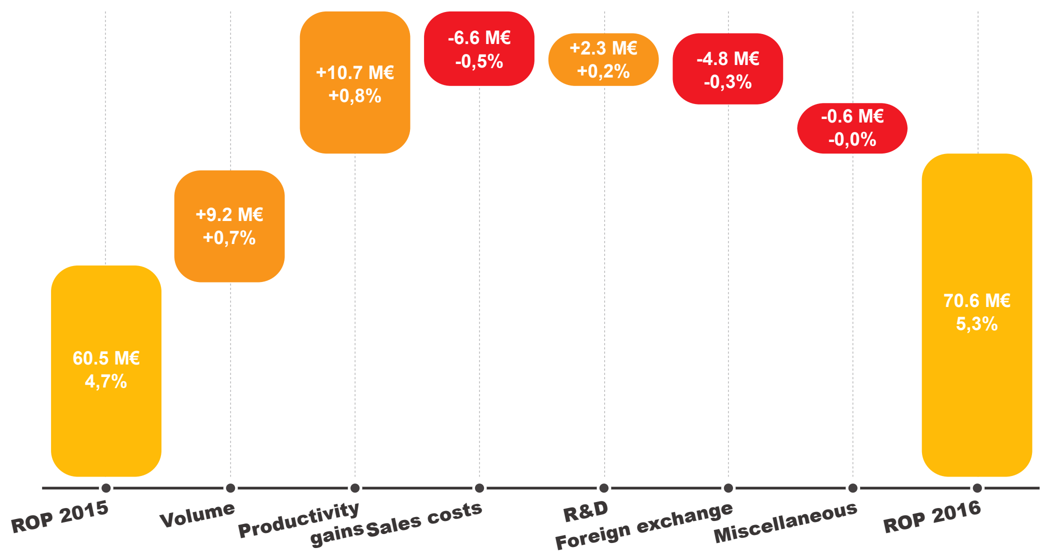
Current operating profit is 70.6 M€, i.e. 5.3% of turnover, representing a gain of 0.6 points compared with 2015.

The group posted non-recurring expenses of 1 M€.

The financial result is -8.2 M€ vs. -10.4 M€ in 2015. This improvement is principally due to favorable foreign exchange effects (+4.3 M€). These gains were limited by a financial charge of 1.2 M€, booked as a result of the restructure and the extension of the group's debt.

Group net income closed at 43.1 M€, compared with a net income of 32.5 M€ for the previous fiscal year.

CHANGE IN GROUP OPERATING PROFIT BETWEEN 2015 AND 2016



2.2.2 INCOME STATEMENT BY DIVISION

in M€	MHA	CEP	S&S	2015	MHA	CEP	S&S	2016
Net sales	826.8	239.8	220.5	1 287.5	903.7	202.7	225.1	1 331.5
Gross margin	118.1	33.8	51.2	203.1	139.7	21.1	55.8	216.6
% net sales	*14.3%*	*14.1%*	*23.2%*	*15.8%*	*15.5%*	*10.4%*	*24.8%*	*16.3%*
Current op. income	43.9	4.4	12.2	60.5	62.3	-6.0	14.3	70.6
% net sales	*5.3%*	*1.8%*	*5.6%*	*4.7%*	*6.9%*	*-2.9%*	*6.3%*	*5.3%*
Other non-recurring income and expenses	-3.0	-0.1	-0.3	-3.4	-0.5	-0.2	-0.2	-1.0
Operating income	40.9	4.3	12.0	57.1	61.8	-6.2	14.1	69.7
% net sales	*4.9%*	*1.8%*	*5.4%*	*4.4%*	*6.8%*	*-3.1%*	*6.2%*	*5.2%*
Operating income including income from associates	40.8	4.3	14.8	59.9	61.3	-6.2	17.1	72.1

INCOME STATEMENT FOR THE MHA DIVISION (MATERIAL HANDLING & ACCESS)

The MHA division posted an increase in its turnover of 9%, or +77 M€, due to a recovery in the construction market in Europe and on the American continent, and to investments by large rental companies.

The gross margin is 140 M€ vs. 118 M€ in 2015. This improvement is due to the increase in volumes and an improvement in the margin rate of 1.2 points.

During the year, the division continued its efforts to identify technical savings on products and increase the industrial agility of production facilities.

In 2016, gross expenses relating to research and innovation were up 2 M€ compared with 2015. Over the same period, capitalized research costs in 2016 were also up 3 M€, because of an ambitious development plan that resulted in the launch of new products: MT420, New Ag, Mango 12, etc. Thus, net research and development expenses were down 1 M€.

Overheads increased 4.6 M€, including 3.8 M€ in commercial expenses to support the development of the division.

Current operating income for the division is 62.3 M€, up 18.4 M€ (+42%).

Operating income for the division is 61.8 M€, up 20.9 M€ compared with 2015. Operating income for 2015 includes non-recurring expenses for 3 M€.

INCOME STATEMENT FOR THE CEP DIVISION (COMPACT EQUIPMENT PRODUCTS)

Turnover for the CEP division is down 5% compared with the previous fiscal year, at 202.7 M€.

This drop in activity naturally disrupted the organization of production, added to which there was a decline in margins:
- on the American continent, in a very competitive market,
- on exports due to the appreciation of the dollar.

As a result, the gross margin is down 3.1 points at 19.9%.

The division, despite the reduction of 2.4 M€ in its fixed charges, posted a current operating loss at -6.0 M€, down -10.3 M€ compared with 2015.

INCOME STATEMENT FOR THE S&S DIVISION (SERVICES & SOLUTIONS)

The S&S division posted growth in turnover of 2% at 225.1 M€. This increase is due to the increase in sales of services (extended warranties, rentals, secondhand products, etc.).

The gross margin for the division improved +1.6 points to 24.8%.

Overheads increased by 2.6 M€. These expenses include the launch of new concessions in Malaysia and Germany.

Current operating profit is up 2.1 M€ at 14.3 M€ (6.3% of turnover).

2.2.3 FINANCIAL STRUCTURE

Operating working capital requirement excluding sales financing receivables (WCR) is 405 M€, stable compared with the previous fiscal year (-1%). Stocks increased (+32 M€) to meet the significant rise in the order book; this was offset by the increase in the supplier item (+32 M€).

At December 31, 2016, shareholders' equity is 512 M€ vs. 495 M€ at December 31, 2015. Shareholders' equity represents 50% of the total balance sheet vs. 51% in 2015.

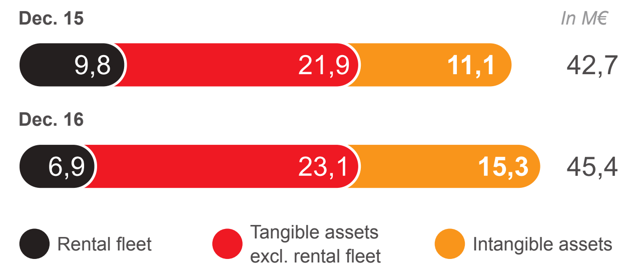
The group's net debt dropped to 59 M€ vs. 66 M€ at the end of 2015. Gearing* dropped to 11%, vs. 13% in 2015.

2.2.4 INVESTMENTS

The group realized investments of 45.4 M€ in 2016 vs. 42.7 M€ in 2015.

Intangible investments represent one third of investments, i.e. 15.3 M€, up compared with the previous fiscal year due to the capitalization of development projects (+3.2 M€).

Tangible investments (30.0 M€) were realized:
- on industrial equipment (17.8 M€) either for the launch of new products or for the modernization of the production tool;
- on buildings (5.5 M€), in particular the inauguration of new buildings in South Africa;
- on developing a fleet of rental vehicles (6.9 M€).



SUMMARY OF INVESTMENTS BY TYPE

in thousands of euros	31.12.2015	31.12.2016
Development costs	7 147	10 787
Other intangible assets	3 955	4 534
Total intangible assets	**11 102**	**15 322**
Land	3 022	1 221
Buildings	2 295	4 066
Plant and equipment	5 536	4 141
Rental fleet	9 754	6 946
Other tangible assets (excl. rental fleet)	3 709	7 927
Tangible fixed assets in production	7 306	5 763
Total tangible assets	**31 622**	**30 064**

PRINCIPAL INVESTMENTS IN PROGRESS

At the time of writing the reference document, there are no significant projects in progress (i.e. with a unitary value of more than 3 M€).

FUTURE SIGNIFICANT INVESTMENTS

Future significant investments relate to the continued modernization of the industrial facilities, the extension and acquisition of buildings, the renewal of the rental fleets and the upgrade of the IT systems. At the time of writing the reference document, there are no significant individual projects in place.

2.2.5 CASH FLOW

Cash flow increased by 6.0 M€ to 62.4 M€, vs. 56.4 M€ at December 31, 2015. This improvement is due to the increase in the group's profitability.

The variation in working capital requirement dropped 10.3 M€ due in particular to the increase in stocks intended to fulfill orders taken at the end of the year. This variation is partially offset by the increase in trade accounts payable.

Thus, operating cash flow is 71.4 M€ vs. 75.8 M€ in 2015.

Investment flows are up, at 33.7 M€ in 2016 vs. 32.0 M€ in 2015.

Financial flows increased by 40.0 M€ to -42.9 M€ at the end of 2016. The group paid a dividend of 14.1 M€ and on the buyback of its shares from Toyota for 14.9 M€. Finally, financial debts generated flows of -14.9 M€, particularly as a result of the restructure of the group's financing contract in December 2016.

Thus, at December 31, 2016, cash flow is 49.2 M€, down -5.2% over the period, excluding the foreign exchange impact on opening cash flow.

2.2.6 PARENT COMPANY MANITOU BF

MANITOU BF REVENUE

At the end of the fiscal year 2016, turnover for Manitou BF is up 9% at 951 M€ vs. 875 M€.

The activity of Manitou BF benefited from a gain of 9% in sales of materials in the MHA division (Material Handling & Access).

The increase in turnover was realized primarily in the Southern Europe region, which gained +23%, whereas activity was stable in Northern Europe.

MANITOU BF RESULTS

In 2016, current operating profit is 39 M€ (4.1% of turnover) vs. 34 M€ (3.9% of turnover) in 2015.

This improvement, despite a slight pressure on margins, reflects the good level of activity of Manitou BF and the control of overheads.

The financial result is down 6 M€, dropping from 23 M€ to 17 M€. This variation is due principally to a reduction in dividends received of -14 M€, an improvement in net foreign exchange gains of +5 M€, and a revaluation of equity investments up +2 M€, compared with 2015.

Exceptional income, which is made up primarily of exceptional amortizations, is stable at +6 M€.

The tax charge is up +5 M€ at -7 M€ vs. -2 M€ in 2015. This increase can be explained by the end of tax loss carryforwards.

Net income for the fiscal year is 54 M€ vs. 61 M€ in 2015.

At December 31, 2016, shareholders' equity for Manitou BF is 532 M€ vs. 493 M€ at December 31, 2015. Shareholders' equity represents 55% of the total balance sheet. Net debt is 89 M€ at December 31, 2016 vs. 109 M€ for 2015.

IFRS DATA

The principal line items for Manitou BF under IFRS standards are as follows: turnover 966 M€, current operating income 61 M€, net income 38 M€.

2.2.7 ACTIVITY AND RESULTS OF THE PRINCIPAL ASSOCIATED COMPANIES

MANITOU FINANCE FRANCE

This company, 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, offers financing, leasing and long-term rental solutions for end users of Manitou products in France.

In 2016, the entity realized financial production of 54.5 M€. Net income is 1.9 M€, accounted for under the equity method at 0.9 M€.

MANITOU FINANCE LTD

This company, 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, offers financing, leasing and long-term rental solutions for end users of Manitou products in the United Kingdom, as well as stock financing solutions for concessionaires. Medium-term financial production reached 72 M€ in 2016. Net income after tax of 4.2 M€ was accounted for under the equity method for 2.0 M€ in the group accounts.

2.2.8 OTHER INFORMATION RELATING TO THE FISCAL YEAR 2016

NON-DEDUCTIBLE CHARGES PROVIDED FOR IN ARTICLES 39-4 AND 39-5 OF THE FRENCH GENERAL TAX CODE

In accordance with the provisions of Article 223 quarter of the French General Tax Code, the accounts for the fiscal year include a sum of 438,511 euros, which corresponds to rentals and the share of attendance allowances, which are not tax-deductible.

INFORMATION RELATING TO ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The financial statements of Manitou Group as at December 31, 2016 have been prepared in accordance with the IFRS standards as adopted by the European Union on the date of closure of the accounts. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards)and the interpretations (SIC and IFRIC).

The accounting methods and evaluation rules applied by the group in the consolidated financial statements as at December 31, 2016 are identical to those used in the financial statements as at December 31, 2015.

All companies have been consolidated using the total integration method with the exception of Manitou Finance Ltd., Manitou Finance France SAS and Hangzhou Manitou Machinery Equipment, which are accounted for under the equity method. The share of these equity method companies in the net income has been restated in accordance with the recommendations of the French accounting standards authority (ANC) including operating income in a separate line item "Operating income including net income from associates".

UTILIZATION OF TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT (CICE)

Manitou BF booked a tax credit corresponding to the CICE for the fiscal year in staff expenses, for 2.7 M€. This tax credit was used in accordance with the objectives provided for by the law.

INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS OF MANITOU BF

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, we hereby indicate that at the end of the last fiscal year, the balance of debts to suppliers breaks down by payment due date as follows:

in thousands of euros	Balance 31.12.2015	Balance 31.12.2016
Payment in 30 days	40 456	**68 257**
Payment in 45 days		
Payment in 60 days	56 852	**61 360**
Payment in more than 60 days	13 192	**2 152**

2.2.9 PRESENTATION OF ACCOUNTS AND DEFINITIONS

EXPLANATION OF REPORTING LINE ITEMS

NET SALES

Net sales are principally made up of sales of new handling materials assembled within the group or acquired from third parties, sales of spare parts and attachments, rental of materials, and the sale of equipment fleet management services and various other services.

COST OF SALES

Cost of sales is made up of the cost of the goods and services sold, which includes the cost of raw materials and components and the workforce directly attributable to the good or service, and all operating costs of the production and logistics activities. Also included in the cost of sales are the amortization of intangible assets, equipment and materials allocated to the production activities, the costs of the contractual guarantee, provisions for depreciation of stocks, and exchange gains and losses booked on operating income in foreign currencies resulting from the variance between the exchange rate on the day of the transaction and the exchange rate on settlement.

GROSS MARGIN

The gross margin results from the difference between net sales and cost of sales.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are made up of the personnel costs and operating costs allocated to innovation, development, design, realization of prototypes and improvements to products. The activities frequently use external services as well as dedicated equipment and materials, the amortization of which will affect operation.

Research and development expenses that comply with the criteria of feasibility and innovation may be allocated in intangible assets and amortized in cost of sales at a later date. Expenses that do not comply are booked directly in charges.

COMMERCIAL AND MARKETING EXPENSES

Commercial expenses are primarily made up of personnel costs and associated expenses allocated to business development activities, managing the networks of concessionaires, marketing, and technical services. Also included in this line item are commissions on sales, promotion costs, trade fairs, credit insurance charges, commercial warranties, travel costs, and amortization of associated infrastructure.

ADMINISTRATIVE EXPENSES

Administrative expenses are principally made up of personnel costs and expenses associated with the support functions (human resources, finance, general secretariat, etc.). Also included is the amortization of the infrastructure associated with these functions.

EXPENDITURE AND INCOME ON NON-RECURRING ITEMS

Expenditure and income on non-recurring items include the following elements:

– impairment losses;
– restructuring costs;
– other consolidated corporate actions;
– exceptional items corresponding to income and expenditure that are unusual in terms of their frequency, their nature and their amount.

OPERATING INCOME OR OPERATING MARGIN

Operating income, also known as operating margin in this document, includes all the recurring and non-recurring elements described above.

OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES

The line item "Operating income including net income from associates" is made up of operating income and the share in the income of associated companies.

FINANCIAL INDICATORS AND OTHER DEFINITIONS

NET DEBT

Net debt corresponds to the difference between current and non-current financial liabilities on the one hand and on the other hand, current financial assets and cash and cash equivalents.

EBITDA

Operating income +/- provisions - reversals of amortization and impairment losses.

RECURRING EBITDA

Operating income - income and expenditure on non-recurring items +/- provisions - reversals of amortization and impairment losses.

GEARING

Ratio of net debt divided by the amount of shareholders' equity.

LEVERAGE

Ratio determined by dividing the amount of net debt at the end of the period by rolling 12-month EBITDA. This measures the amount of the debt in number of years of EBITDA.

OPERATING WORKING CAPITAL REQUIREMENT

Inventory and work in progress + clients + other debtors - trade accounts payable - other current liabilities.

Operating working capital requirement excludes sales financing receivables, which do not change in proportion to the operating activity.

EVENT OF DEFAULT

Actual occurrence of credit risk such as, for example, the bankruptcy of the reference entity, payment default, or restructuring.

MATERIAL ADVERSE CHANGE

Any action, omission or event that, taken in isolation or with others, has a significantly unfavorable effect on the assets, liabilities, financial situation or operating result of the borrowing company and its subsidiaries taken as a whole or the borrower taken individually.

NEGATIVE PLEDGE

Provision that forbids a party to a contract from creating sureties on certain specific goods.

CROSS DEFAULT

Safeguard clause, which provides that if the company defaults on a loan, all the facilities included in the cross default clause are considered as being in default. A trip threshold is generally established.

ORDER BOOK

All customer orders received but not yet delivered.

OEM

An Original Equipment Manufacturer (OEM) is a manufacturer of handling machinery, from which the group acquires products that it then distributes under its own brand.

2.2.10 OUTLOOK FOR 2017

For the fiscal year 2017, Manitou forecasts an increase in turnover of between +5% and +7% and an improvement in current operating income of around 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, improving its products, and introducing new models. The development teams are distributed among six research offices and represent 7% of the group's workforce. The principal R&D development areas are technical innovation, the development of new designs, and updating existing ranges to comply with changes in regulation.

In 2016, Manitou continued to roll out innovations intended to improve the user experience, reduce the impact of the equipment on the environment, and improve performance, with:

- the integration of a new cab and a new command system for more comfort, particularly in terms of noise, improved ergonomics and accessibility, and increased ease of use;
- the roll-out of a new, connected diagnostics tool (iV, interactive View), which improves the user experience. This tool is important for the development of our current and future service offering.

The materials designed and distributed by the group are subject to various regulatory standards relating to harmful emissions, noise, visibility, safety, electromagnetic compatibility, the environment, etc. Changes in standards are among the common issues faced by Manitou and its competitors. The corresponding schedules are known several years in advance.

The principal regulatory changes are:

- the European "Tractors" directive, which authorizes agricultural vehicles in particular to drive at 40km/h on roads. This directive imposes technical changes to agricultural machinery (braking, steering, visibility, etc.);
- the European Stage V standard that will replace the Stage IV standard with effect from 2019 and 2020 depending on engine power. This standard imposes a reduction in harmful emissions and introduces monitoring of the number of particles emitted. This change will result in the development and installation of particle filters and an increase in engine prices.

The move to the Stage V standard is made easier by the option to stock engines in advance. Constructors will be authorized to use up their stocks of old-generation engines after the effective date of the standard. They may be used in the manufacture of machines within 18 months of the date of application of Stage V. Constructors will have an additional period of six months in which to use up stocks of machines built with these old-generation engines.

CHANGES IN DEVELOPMENT COSTS

	2015		2016	
in millions of euros and % of turnover for the fiscal year	Amount	% of net sales	Amount	% of net sales
Capitalized expenses	7.1	0.6%	10.3	0.8%
Uncapitalized expenses and amortization charges	20.6	1.6%	18.3	1.4%
Total	27.7	2.2%	28.6	2.2%

The group maintained its research and development costs in order to continue the defined product plan and meet the changes in standards applicable to its products.

NEW PRODUCTS

The group continues to renew and upgrade its product ranges in order to integrate required changes in standards as well as substantial improvements for users.

Innovation within Manitou is intended to offer new solutions for machines, attachments and services, and reduce the cost of operation of these machines, at the same time as improving performance.

It is the result of:

- analyses and studies that provide a better understanding and appreciation of technological changes that affect the group's businesses;
- ongoing monitoring of technological changes realized in associated industry sectors (automotive, etc.);
- close collaborations with suppliers or institutions that develop innovative technological solutions.

It is also intended to meet the needs of the three types of client that may use a machine:

- the owner, who expects high performance and a return on their investment;
- the user, or driver, who expects safety, ergonomics and ease of use;
- the person in charge of maintenance, who expects reliability and a high level of service.

INFORMATION ON PATENTS AND LICENSES

The group has a number of patents protecting the innovations implemented in its various research offices.

The total number of active patents at the end of the fiscal year 2016 is 55. In addition, 9 patent applications were filed in 2016.

None of the patents is strategic for the group on its own. This does not therefore result in any reputational dependence.

2.4 POST-CLOSING EVENTS

On March 27, 2017, the Manitou Group announced the acquisition of Terex Equipment Private Limited (TEPL) based in Greater Noida, India. This acquisition from Terex Corporation, will be finalized in the first half of 2017. TEPL specializes in the design, manufacture and distribution of construction equipment, principally backhoe loaders and skidsteers loaders.

TEPL realized turnover of 30 million euros in 2016, essentially on the Indian subcontinent.

With this acquisition, Manitou Group confirms its ambitions on the handling market in India and, more widely, in Asia and the emerging markets.

3. RISK FACTORS AND MANAGEMENT

The "Risk factors and management" chapter is an integral part of note 9.10 to the consolidated accounts.

The company has reviewed the risks that may have a significant unfavorable effect on its business, its financial situation or its profits (or on its capacity to implement its objectives) and considers that there are no significant risks other than those set out.

3.1 FINANCIAL RISKS

The question of financial risks falls within the responsibility of the financial division of the parent company and of each subsidiary. All strategic decisions related to the group's financial risk hedging policy are managed by the financial division in a financial hedge management committee.

Annex 9.10 of the consolidated accounts refers to this paragraph on financial risks.

3.1.1 FINANCE AND LIQUIDITY RISKS

FINANCE RISK

Difficulty or partial or total impossibility of renewing existing finance or to introduce new finance. Finance risks could affect the capacity of the group to meet its payment commitments, its finance costs or constraints restricting the finance.

LIQUIDITY RISK

Impossibility of meeting a payment obligation on its maturity date.

MANAGING FINANCING AND LIQUIDITY RISKS

The financial division has the role of ensuring the financing and liquidity of the group at the most advantageous cost and under the best conditions.

Management of the group's cash is centralized in the parent company as far as local legislation and the absence of operational constraints allow. Cash surpluses are therefore placed by the subsidiaries in the parent company where the group's finance needs are met.

The group's finance needs are met on the one hand through bank finance (bank credit or overdraft agreements) and on the other hand through bond issues, for the purposes of diversification.

Long-term financial resources are mainly concentrated in the parent company.

As on 31 December 2016, total authorized bank credit facilities amounted to €186 million, in addition to €59 million in authorized ordinary overdrafts.

Net debt* amounted to €59 million as on 31 December 2016.

− Credit agreement of December 2016

In 2016 Manitou BF developed and extended its main finance contract for a 5-year period, with two options for adding a one-year extension. This contract includes ratio clauses (covenants) and "material adverse change" and "cross default" clauses that can restrict the options for use or affect the term of the credit facilities. It includes negative pledge* clauses matched by thresholds and exemptions.

Covenants related to all fundings were observed as on 31 December 2016 and the existing facilities will cover all finance requirements over the next 12 months.

− Bank overdraft facilities

The group has bank overdraft facilities that ensure liquidity in line with its needs.

The company has specifically reviewed its liquidity risk and considers itself able to meet its forthcoming payment deadlines as on the date of recording of this document.

** terms defined in paragraph 2.2.9 of this document*

■ FINANCIAL LIABILITY PAYMENT SCHEDULE AS ON 31 DECEMBER 2016

Facility *millions of euros*	**Beneficiaries**	**Maturity**	**Amount in local currency**	**Amount in euros**	**Use on 31.12.16**	**Less than 1 year**	**1 to 5 years**	**Over 5 years**
Credit agreement (Dec 16)								
Revolving Facility *multiple currency ($/€)*	Manitou BF or Manitou Americas	Dec 21	180	180	44	0	44	0
Other financial liabilities								
Bond 1	Manitou BF	Oct 18	7	7	7	0	7	0
Bond 2	Manitou BF	Dec 19	12	12	12	0	12	0
Bond 3	Manitou BF	June 22	25	25	25	0	25	0
Other*	Miscellaneous		62	62	10	4	6	0
Sales financing debt**	Manitou Americas		0	0	0	0	0	0
Group Total				**286**	**99**	**4**	**95**	**0**
Finance lease loans					4			
Derivative instruments					5			
Shareholder agreement (buyback commitment for minority interests) and others					8			
Total financial debt					**116**			
Cash and financial assets					57			
Total net debt					**59**			

** Ordinary bank overdraft facilities + BPI loans. **For further details see paragraph 2.2.3 "Financial structure".*

The bank margin applied varies from 75 to 175 basis points for the Revolving Facility line, depending on a leverage ratio* divergence of up to 3.5. On 31 December 2016 the leverage was 0.6.

The different facilities mentioned above are intended to finance all group operations (general purpose).

On 31 December 2016 the payment schedule for assets and liabilities linked to finance amounted to €286 million, of which €99 million had been used by that date. In addition, it was stated that the group has ordinary bank overdraft facilities amounting to €62 million as on the publication date (not including the Revolving Facility and debts linked to the sales finance activity). For further details please refer to note 9.7 of the annexes to the consolidated accounts in this reference document.

■ SUMMARY OF THE CONDITIONS ATTACHED TO CREDIT FACILITIES

Facility	**Signatory**	**Main contractual clauses S2 2016 to S1 2021**
Revolving Facility	Manitou BF	Gearing* < 1 Leverage* < 3.5 except in certain cases Cap on investments Cap on asset acquisitions and transfers Limits on additional debt Control change clause Dividends are less than 100% of the net profit

Note 9 "Current and non-current financial liabilities" in the annex to the consolidated accounts sets out all the group's debts in detail.

All clauses related to ratios or covenants, "material adverse change" and "cross default" had been observed as on the date of recording of this reference document.

** Terms defined in paragraph 2.2.9 of this document*

3.1.2 RATE RISKS

RATE RISKS

Gross debt mainly corresponds to long-term funding initially agreed partly at a fixed rate and partly at a variable rate. The risk arises from the impact of the interest rate variation on the financial expenditure of the group.

MANAGEMENT OF RATE RISKS

The rate management policy is coordinated and supervised by the financial division of the parent company with the purpose of protecting future cash flows and optimizing and reducing volatility and financial expenditure.

The group uses a variety of instruments available on the market, in particular interest rate swaps.

■ CREDIT FACILITIES

The group has available financial debts implemented for its general operational financing. These commitments are partly based on a variable interest rate. The risk of interest rate variation has been partially hedged by various financial instruments (exchanging a variable interest rate with a fixed rate, exchanging variable interest rates against variables, etc.).

We cannot dismiss the possibility that the interest rate on the part not covered by loans may increase in the future. This could have a negative effect on the net profit and financial position of the group. Sensitivity to rates and the hedge rate are set out in the following table. The sensitivity tests show the impact in a pre-tax profit account. No impact was identified on equity capital.

■ COVERAGE OF RATES AND OF SENSITIVITY TO DEBT

Coverage of the confirmed bank debt at a variable interest rate	**Hedge rate**			**Impact of a** +0.5% interest rate variation**
	Fixed coverage	Cap	Total*	
31.12.2016	50%	50%	100%	
31.12.2017	50%	50%	100%	€0.062 million
31.12.2018	0%	56%	56%	€0.083 million
31.12.2019	0%	56%	56%	€0.083 million

** On the basis of the bank debt at a variable interest rate as on 31 December 2016*

*** On the basis of the 3-month Euribor 3 rate of -0.319% applied on 31 December 2016 (pre-tax profit impact), not taking coverage impact into account.*

For all additional details please refer to Notes 9.8 and 9.9 of the consolidated accounts.

3.1.3 EXCHANGE RATE RISKS

Exchange rate risk: corresponds to the impact on the profit and loss account, the balance sheet and/or cash generation generated by exchange rate fluctuations. The exchange rate risk emerges either when transactions are implemented or through conversion exposure.

In accordance with the OECD directive, all main contractors bear the exchange rate risk involved in the sale of its products. In view of the respective scale of the organizations and product distribution, Manitou BF is the most sensitive company in the group and was the most affected by exchange rate losses in 2016.

Exchange rate risk on transactions: This risk arises when purchases or sales take place in a currency other than the operating currency of the entity in which the operation takes place.

The group strives to minimize the exchange rate risk of every entity in relation to its operating currency. The financial divisions of the parent company or, more rarely, the subsidiaries, hedge against exchange rate risks on the most significant flows for the net amount of their currency exposure after taking purchases operated in foreign currency into account.

In 2016 the group invoiced about 34% of its sales in foreign currencies, mainly in US dollars (18%), Sterling (8%), South African rands (2%), Australian dollars (3%) and Russian rubles (2%), the other currencies being the Singapore dollar, the Polish zloty, the Brazilian real And the Chinese yuan. In 2016, exchange rate hedges mainly consisted of forward sales or forward sales options of Sterling, Australian dollars and South African rands.

A significant exchange rate variation could affect the Manitou Group's profits through the impact on the conversion of the currencies that it would generate and through the pressure it might exert on sales prices in certain geographic regions.

The sensitivity analysis was prepared on the basis of the situation with regard to receivables, debts, net cash and financial assets available for sale as on 31 December 2016 for the main currencies used by the group in its business activities.

Sensitivity means a variation in the currencies involved exceeding 5% in relation to their closing rate.

31.12.2016

in thousands of euros

Receivables and debts denominated in foreign currency Details by operational currency	AUD/ EUR +5%	GBP/ EUR +5%	USD/ EUR +5%	ZAR/ EUR +5%	SGD/ EUR +5%	RUB/ EUR +5%	BRL/ EUR +5%	INR/ EUR +5%
EUR								
Receivables (AUD, GBP, USD, ZAR, RUB, BRL)	557	444	466	584	0	129	26	52
Debts (AUD, GBP, USD)	-3	-121	-154	0	0	0	0	0
Net cash and cash equivalents (AUD, GBP, USD, SGD, RUB)	166	601	395	0	58	1	0	0
S/ Total	**720**	**924**	**707**	**584**	**58**	**130**	**26**	**52**
AUD								
Receivables (EUR)	-20							
Debts (EUR)	0							
Net cash and cash equivalents (EUR)	0							
S/ Total	**-20**							
GBP								
Receivables (EUR)		-138						
Debts (EUR)		0						
Net cash and cash equivalents (EUR)		-41						
S/ Total		**-179**						
USD								
Receivables (EUR)			-346					
Debts (EUR)			32					
Net cash and cash equivalents (EUR)			-1					
S/ Total			**-316**					
ZAR								
Receivables (EUR)				0				
Debts (EUR)				17				
Net cash and cash equivalents (EUR)				0				
S/ Total				**17**				
SGD								
Receivables (EUR)					-234			
Debts (EUR)					76			
Net cash and cash equivalents (EUR)					-62			
S/ Total					**-219**			
RUB								
Receivables (EUR)						-4		
Debts (EUR)						0		
Net cash and cash equivalents (EUR)						-13		
S/ Total						**-17**		
BRL								
Receivables (EUR)							-1	
Debts (EUR)							26	
Net cash and cash equivalents (EUR)							-183	
S/ Total							**-158**	
INR								
Receivables (EUR)								0
Debts (EUR)								6
Net cash and cash equivalents (EUR)								0
S/ Total								**6**
TOTAL	**700**	**745**	**392**	**601**	**-161**	**113**	**-133**	**58**

The net position of operational activities in the main foreign currencies in relation to the euro is as follows:

Vs EUR

in thousands of euros	**Assets**	**Liabilities**	**Net currency position before hedging**	**Hedging instruments ***	**Net currency position after hedging**
AUD	15 171	-53	15 118	-13 719	1 399
GBP	21 945	-2 541	19 404	-120 273	-100 869
USD	18 081	-3 229	14 852		14 852
ZAR	12 270	0	12 270	-9 632	2 638
Other currencies	5 568	0	5 568	-11 631	-6 063
Total	73 035	-5 823	67 212	-155 256	-88 044

Vs USD

in thousands of euros	**Assets**	**Liabilities**	**Net currency position before hedging**	**Hedging instruments ***	**Net currency position after hedging**
EUR	6 604	-609	5 995		5 995
Other currencies	25	0	0		0
Total	6 628	-609	5 995	0	5 995

Vs GBP

in thousands of euros	**Assets**	**Liabilities**	**Net currency position before hedging**	**Hedging instruments ***	**Net currency position after hedging**
EUR	3 414	-9	3 405		3 405
Other currencies					
Total	3 414	-9	3 405	0	3 405

* Apart from the open positions on 31 December 2016, the group has hedged part of its future operating transactions in foreign currencies. The derivative instruments contracted under these futures transactions are described as a cash flow hedge, while there is a hedging relationship in accordance with IAS 39. We have also specified that the sensitivity tests show the impact in the pre-tax profit account. No equity capital impact was found. For further details, please refer to note 9.9 in the notes accompanying the consolidated accounts on 31 December 2016, chapter 8.1.5

CONVERSION RISKS WITH REGARD TO THE PROFIT AND LOSS ACCOUNT

Exchange rate fluctuations exert an impact on the consolidated results through conversion into euro of the foreign currency profit and loss accounts of subsidiaries.

The group does not cover this type of risk. The table below sets out the distribution of net sales, operational profit and net result by operating currency.

CURRENCY EXPOSURE **31.12.2016**

Currency (millions of euros)	Net sales	Operating profit	Net profit
USD	249	-2	-1
GBP	116	4	3
ZAR	23	0	0
AUD	37	2	1
SGD	21	1	1
Other (excluding EUR)	36	2	2
Total	**482**	**8**	**6**

CONVERSION RISKS ON THE BALANCE SHEET

Sensitivity means a variation in the currencies involved exceeding 5% in relation to their closing rate.

SENSITIVITY ANALYSIS **31.12.2016**

Currency (millions of euros)	Net invest-ment	Hedge %	Impact on equity capital with 5% euro fluctuation
USD	189	0%	-9
GBP	16	0%	-1
ZAR	16	0%	-1
AUD	6	0%	0
SGD	8	0%	0
Other (excluding EUR)	10	0%	0
Total	**246**	**0%**	**-12**

3.1.4 CREDIT RISK

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

The group is exposed to a credit risk in its operational activities and financing. The maximum credit risk exposure is represented by the asset totals set out in the balance sheet, the details of which are set out below.

millions of euros	2015	2016
Sales finance receivables	4	4
Accounts receivables and related	266	279
Other receivables	21	28
Cash and cash equivalents	57	54
Total	**348**	**365**

MANAGING CREDIT RISKS

Client risks are managed by the financial divisions of the different entities. The largest of them have credit management teams. Each entity establishes management procedures, measuring instruments and depreciation rules for outstanding client amounts. The most sensitive cases are monitored and treated in relation to the credit management department of the parent company.

The credit risk in most entities is partially or totally covered by credit insurance.

Credit risks can also be offset or limited by securities or specific guarantees.

In addition, the group's client base is highly fragmented and not a single client accounts for more than 3% of the consolidated turnover.

The financial division also makes sure to distribute the bank counterparty risk among top-ranking establishments. For further details, please refer to note 11 in the annexes to the 31 December 2016 consolidated accounts.

3.1.5 RISK RELATED TO SHARES AND OTHER FINANCIAL INSTRUMENTS

None

3.1.6 RISK RELATED TO PERSONNEL ADVANTAGES

The group offers defined benefits schemes to some of its employees: lump-sum retirement benefits, awards for length of service, pension and retirement schemes for certain employees, supplementary pensions for some members of the management in the United States, a medical assistance scheme and post-employment life insurance.

Most frequently these defined benefit schemes are partially covered by funds paid to insurance companies which invest them in shares, bonds, real estate or other carriers. Unfavorable changes in hedge asset valuation expose the group to having to pay supplementary cover to meet its minimum coverage obligations as required by certain schemes or to meet its commitments.

For further details, please refer to notes 1.19 and 17 in the notes to the 31 December 2016 consolidated accounts, chapter 8.1.5.

3.2 OPERATIONAL RISKS

The group is exposed to risks related to economic cycles in its different markets, risks related to increased costs of raw materials, components and energy and to client risks related to the part of their receivables that may not be covered by credit insurance.

With regard to the cyclic nature of the markets by business sector, please refer to sections 2.1.2 (distribution of sales by business sector) and 3.2.4 (country risks).

3.2.1 SUPPLIER RISKS

The group is specialized in the design and assembly of handling equipment. Purchases of raw materials and components account for about 70% of its turnover and occupy a predominant place in its industrial know-how and profitability.

Limits to the capacity of the production tools of some suppliers or a shortfall in their resources available to finance their development or resist volatility in their business activities represent risks to the parent company and its subsidiaries.

A number of supplier defaults have led to partial production stoppages in factories and to delays in manufacturing or developing Manitou products.

Manitou is not totally dependent on any supplier. However, replacement of a supplier may require a lengthy selection and certification process. The more complex the unit involved (engines, axles, cabs, etc.), the more complex the replacement.

Supplier risks are mainly controlled on the basis of the following:
- supplier mapping to measure their level of criticality;
- classification of their performance in order to identify the most critical among them and to establish action plans for each of them;
- financial rating of the main suppliers on the basis of analysis of financial factors;
- monitoring audits carried out by purchasing and quality departments to check the availability and capacity of suppliers to meet the needs of the group in terms of quality, costs and deadlines;
- establishing resident teams among suppliers to assist them in improving their processes on an ongoing basis;
- a plan to replace or avoid duplication of the most sensitive supplies.

Among the divisions, the following lines have been selected for improving the reliability of supplier performance:
- strengthening contractual agreements with key suppliers;
- establishing a supplier rating system in which qualification and certification levels will be delivered;
- strengthening performance measurement and action plan monitoring instruments;
- reforming the panel of suppliers established for each purchase commodities according to precise and measurable specifications. The aim of this project is to gradually rationalize the number of suppliers while extending the geographical area supporting it.

Share of the 10 main suppliers in material purchases in 2016 (%)

1st	6%
First 5	17%
First 10	27%

The main supplier accounts for only 6% of purchases of materials and components.

Legislative changes make it essential to keep up with technical developments in accordance with a schedule specified by law (e.g. new, less polluting engines). Supplier delays in making available certain components that comply with the new regulations may lead Manitou to a situation where there is a shortage in the supply of products targeted by the new laws in geographical areas that require them.

3.2.2 RISKS RELATED TO RAW MATERIAL AND COMPONENT PRICES

The group is exposed to a risk in relation to raw materials either directly through its material purchases or indirectly through components purchased from its suppliers.

As the costs of raw materials and components account for a predominant share of the cost price of the manufactured equipment, the group is highly exposed to fluctuations in its procurement costs. A major and sustained increase in the supply cost of materials and components may undermine the profitability of the company, as price increases cannot always be passed on to our clients.

The group cannot use raw material price hedging instruments for the following reasons.

A finished product comprises 1500 to 2000 basic components. The share of the added value incorporated by suppliers in the unit value of each component varies substantially according to the extent to which each item is processed.

This highly diffuse spectrum in relation to purchase price revision or renegotiation clauses by supplier alters the correlation of purchase price changes in relation to fluctuations in raw material prices.

The main components involved in machine manufacture are as follows:
- uncut or cut steel or sheet metal components;
- hydraulic systems (motors, pumps, hoses, cylinders);
- IC engines or electric engines;
- other mechanical components (transmissions, gearboxes);
- cabs.

3.2.3 PRODUCTION AND ENVIRONMENTAL RISKS

The main production risks are essentially limited to those that could result in fire or explosion on a particular site. The group has ten production or assembly sites around the world specialized by product range, along with two central spare part distribution platforms. The sites at Ancenis in France, Castelfranco in Italy and Yankton, Waco and Madison in the United States are the main production units. The Ancenis center comprises multiple buildings, some of which are located almost 1 km apart.

Substantial resources have been put in place at the main manufacturing sites and at the Spare Parts Logistics Center to anticipate these risks and contain their immediate impacts.

PRODUCT QUALITY RISKS

Equipment manufactured by the group uses complex technologies such as hydraulics or on-board electronics. In order to control the quality and reliability of these manufacturing processes, the main factories in the group have a certified ISO 9001 quality system which ensures the quality and reliability of the manufactured equipment.

For new products, a product control and approval process has been implemented to control the quality of components and check compliance with the specifications with regard to reliability and safety.

Despite the significant resources put into operation, the parent company and its subsidiaries cannot guarantee that design or production delays or errors will not occur on existing or future product ranges. If such cases emerge, they would affect the net profit and financial position of the group.

For further details, please refer to section 2.3.

DEPENDENCE IN RELATION TO THE PROPER OPERATION OF INFORMATION SYSTEMS

Most organizational operations and processes make use of technical tools, software and infrastructures interconnected between the different sites. The main risks of malfunction include computer service downtime, encroachment on data confidentiality and integrity and the group's capacity to manage the implementation of its new IT tools.

A major malfunction could affect the operations and profitability of the group.

3.2.4 COMMERCIAL RISKS

RISK OF NON-RENEWAL OF IMPORTANT CONTRACTS

PARTNERSHIP WITH YANMAR

In 2012, the Manitou group signed a 5-year partnership agreement with the Yanmar group. This Japanese engine manufacturing group involved in the manufacture of construction equipment holds shares in Manitou BF.

Under the terms of a crossover agreement covering the United States, Manitou Americas distributes Yanmar compact excavators under the Gehl and Mustang brands, while Yanmar Americas distributes Compact Equipment Products compact loaders under its own brand. Moreover, this partnership strengthens technical cooperation between the two organizations in terms of engine manufacturing.

PARTNERSHIP WITH HANGCHA

Since 2012 Manitou has subcontracted the manufacture of low tonnage internal combustion forklift trucks designed and developed by Manitou teams to Hangcha, along with the manufacture of high tonnage electric and internal combustion forklift trucks.

OTHER PARTNERSHIP

In addition, the Manitou group distributes forklift trucks through a concession agreement in France.

COUNTRY RISKS

The group distributes its products in more than 140 countries, either directly for major companies or through a network of independent dealers. The emergence of an economic, financial, banking or political crisis could affect the financial position of the group and its operational profit.

An unfavorable economic environment could influence the activities of the group and hence its financial results. Periods of reduced economic activity and especially crisis periods could therefore contribute to a substantial reduction in demand on one or more geographical markets.

The activities of the group in a number of countries involve risks, in particular: volatility in terms of GDP, economic and political instability, possible civil unrest, regulatory changes, recovery problems, major interest rate and exchange rate fluctuations, lack of foreign currency liquidity and exchange rate control measures. For further details about risk management involving distributors, please refer to section 3.1.4 Credit Risk. It is important to specify that the largest distributor or direct client accounts for less than 3% of the group's turnover.

3.2.5 CLIENT RISKS REGARDING THE PART OF RECEIVABLES NOT COVERED BY INSURANCE

In the course of its commercial activities, the group faces the risk of insolvency among its clients with regard to the part of the receivables not covered by insurance.

The purpose of a central credit management function is to meet the needs of commercial subsidiaries on an *ad hoc* basis for processing the most technical or sensitive cases.

3.2.6 LEGAL RISKS

▪ REGULATIONS AND THE REGULATORY ENVIRONMENT

The group designs, assembles and distributes high-technology products that meet standards laid down by administrative authorities and supra-national or national bodies.

The development of standards and regulations continually raises new issues for equipment design and leads to the implementation of major product development investments.

The regulatory authorities in the European Union, Japan, the USA (EPA their Environmental Protection Agency) and Canada have agreed on regulations for non-road diesel equipment to reduce the following polluting emissions:

- •carbon monoxide (CO);
- hydrocarbons (HC);
- particulate matter (PM);
- nitrogen oxides (NOx).

These steps have resulted in the introduction of Stage III and IV regulations in Europe and Final Tier 4 in the United States. These standards require new reductions in particulate matter and nitrogen oxide levels. They are accompanied by the development of new fuels (NRD - non-road diesel) and new types of engines, particularly using particle filters and nitrogen oxide reduction systems.

Europe is continuing to develop its regulations with Stage V. This standard imposes new reductions in particulate matter emissions and introduces monitoring of the number of particles emitted as from 2019 or 2020 depending on the engines. This development should result in efforts to introduce particle filters, leading to higher engine prices.

The table below sets out the schedule for the transition through phases IIIA to IIIB, IV and V according to engine power rating.

Exhaust Emission Regulations

OUTPUT	OUTPUT	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EC NRMM	0-19 kW	NO REGULATION									Stage V		
	19-37 kW	Stage IIIA									Stage V		
	37-56 kW	Stage IIIA			Stage IIIB						Stage V		
	56-130 kW	Stage IIIA		Stage IIIB			Stage IV					Stage V	
	> 130 kW	Stage IIIA	Stage IIIB			Stage IV					Stage V		

New generation engines require diesel of a special quality, which makes it impossible to market machines that comply with the new standards in the current situation in countries with low levels of regulation.

The Manitou group has made efforts for several years to find improved engine technologies that meet the regulations while optimizing the performance of its machines and mobilizing a significant part of its research and development resources for the purposes of these changes. The group has been called upon to establish product ranges that are marketable by region to meet the obligations of geographical areas where these regulations apply, while keeping suitable machines for other areas.

The transition from one standard to another involves flexibility clauses which can vary from one continent, country or region to another.

Legislative and regulatory developments generate a great deal of complexity for manufacturers, entailing:

- major research and development efforts in order to resize all machines to fit the characteristics of the new engines
- a risk of a commercial supply shortage in the event of failure to develop a machine that is compatible with the new regulations within the allocated deadlines (delays can originate from Manitou or from its suppliers);
- a balance sheet risk linked to the prior acquisition of quantities of engines intended to cover the transition phases;
- a quality risk related to the storage of engines that must be packaged to meet constant humidity and temperature requirements. Inspections have been introduced to check the condition of the engines before any assembly work;
- a risk related to the limited capacity of engine manufacturers to supply the numbers of engines required for the transition phase in advance (the situation encountered in 2011 is a reminder of this);
- a substantial increase in the cost price of new machines without necessarily being able to pass the increase on to the client instantaneously and with no particular advantage for the end user, which puts pressure on profit margins;
- increased pressure from the competition during new product launch periods that is difficult to interpret and leads to substantial pressure on profit margins.

In principle, states comply with legislative and regulatory changes and the schedule established by the regulatory authorities.

However, there is a risk that a number of States or regions may decide to apply the standards more restrictively, preventing the pre-buy use of engines in order to encourage the entry into force of less polluting engines.

All changes in the application schedule in one or more areas accounting for a significant volume of business for the group could generate a risk that pre-buy engine stocks could become obsolete.

In the transition to the stage IV standard, the Manitou group has demonstrated its capacity to manage pre-storage operations.

▪ LITIGATION RISK

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

This litigation consists of disputes related to products, commercial disputes and disputes related to personnel. The provisions recorded correspond to the best closing date estimates by the group and its advisors of the risks incurred with respect to current disputes.

For further details, reference can be made to paragraph 6.2.10 on legal and arbitration procedures and to note 16 set out in the annexes to the 31 December 2016 consolidated financial statements, chapter 8.1.5.

3.3 OTHER RISKS

▪ TAX RISKS

Manitou BF and its subsidiaries make out their tax declarations with the assistance of certified accountants or tax advisers. However, this does not provide any absolute guarantee against a possible tax adjustment risk, particularly with regard to the technical interpretation of certain tax exemption criteria or rules.

▪ IMPACT OF THE TAX SITUATION OF CERTAIN ENTITIES ON THE ACCOUNTS

In accordance with IAS 12, activation of deferred tax assets in the accounts in relation to accounting losses is realized in the accounts when the possibility of using losses that can be carried forward into future years is considered more likely than unlikely in the relatively short term.

Consequently, if it should occur, recurrent non-activation of the deferrable losses of loss-making entities could generate net tax expenditure in the consolidated accounts that exceeds or is equal to the pre-tax profit.

▪ DEPENDENCE ON PEOPLE OCCUPYING KEY POSITIONS AND QUALIFIED PERSONNEL

The group's success depends largely on the ongoing contribution of its Board of Directors, its Executive Board and the company's teams of experts.

If one or more members of the Board of Directors, the Executive Board or highly qualified personnel leave the group, this could have a negative impact on its business. In order to mitigate this risk, the group implements a social policy for the purposes of keeping, developing and promoting its qualified employees (see section 4.5 of this reference document). In addition, Jacqueline Himsworth, Marcel Braud, Gordon Himsworth, Marcel-Claude Braud, Sébastien Braud and Christopher Himsworth on the Board of Directors are stated as being connected by family links. On 9 June 2011 the family shareholders signed a 6-year shareholder agreement.

For further details on the composition of the managing bodies, please refer to sections 5.1 and 5.2 of this reference document.

▪ COMPUTER SYSTEM FAILURE RISKS

The group depends on IT infrastructures and applications to manage all of its operational processes (supplies, manufacturing and distribution) and financial processes (consolidation).

A major malfunction of the IT system, whether naturally occurring (flooding, earthquake, etc.), accidental (fire, short circuit, etc.) or malicious (virus, data theft, etc.) could affect the operational performance of group and undermine its profitability.

In order to protect itself from these risks, since 2015 the group has been outsourcing the most critical IT equipment to protected sites equipped with the latest technology in order to limit access and ensure the continued operation of the operating systems in the event of a minor malfunction (power cut) and in order to be able to recover the information in the event of a major malfunction (fire, etc.). In addition, the data are regularly backed up on all of the group's sites in order to ensure that the information can be recovered.

Finally, protection systems are updated on an ongoing basis (firewall, anti-virus software, etc.) and access rights are changed and checked at regular intervals.

▪ GEOPOLITICAL RISKS

The activities of the group in a number of countries could be affected by geopolitical risks such as war, terrorism and conflicts that could affect the profitability of the group, but also the safety of people working for it.

Countries identified as high-risk are monitored on an ongoing basis by the different foreign ministries of the countries in which the group is present. Travel in these countries is limited as much as possible.

▪ FRAUD RISKS

Different procedures have been established by the general management of the group to protect it from the risk of fraud. In particular, delegation guidelines have been established to limit the rights and access of employees, along with an assessment questionnaire on the key checks carried out in each of the group entities and the in-house audit assignments (These are set out in detail in chapter 7 of this document).

▪ RISKS FOLLOWING BREXIT

The consequences of the Brexit vote on 23 June 2016 are uncertain at this stage and will depend on numerous factors, in particular the way it is implemented. Brexit could have consequences for the European economy and the level of activity of the British market. The marked drop in sterling is already apparent in the accounts. The sensitivity of the group to the sterling exchange rate is specified in note 3.1.3.

3.4 RISK INSURANCE COVER

The group has taken out insurance policies among top-ranking insurance companies to cover its civil liability and asset damage risks, including operating losses. The group has strengthened coordination of its insurance policies by the parent company in order to optimize the total premiums and improve guarantees. In particular, the group has established a "Master" civil liability policy which includes almost all subsidiaries, including Manitou Americas. This Master policy backs up the guarantees offered by the policies taken out locally.

On the date of signing of this report, the insured civil liability amount is €50 million per claim and per insurance year. Asset damage policies are generally of the all-risks type with exceptions, for amounts that correspond to the identified risks.

Other insurance contracts have been taken out by the group, in particular to cover credit risks, the vehicle fleet and personal risks as well as environmental damage.

4. CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN

Materials handling lies at the heart of many **agricultural, industrial, human and environmental challenges**. Population growth, urbanisation and economic development all require an increase in agricultural production, the construction and renovation of housing and communications infrastructure, all the while optimising access to the planet's resources.

The expertise of the Manitou Group aims to simplify, optimise and improve the safety of the professions that are central to these transformations:

- Meeting **ever growing load transport requirements** with innovative, adapted machines that alleviate human efforts.
- Meeting **growing productivity requirements** with products and service offers dedicated to each application, limiting the total cost of ownership (TCO) and environmental footprint as much as possible.
- Meeting **the integration requirements of the digital world** with connected machines.
- Meeting **the requirements of our customers for innovative approaches** with new services, considering machine life cycles and accessibility conditions in different ways: leasing and used machines become effective solutions in keeping companies' TCO down and limiting their environmental footprint.
- Meeting requirements for **improved working conditions** with machines suited each use and focusing on promoting the health and safety of people and property.

The value of Manitou Group's machines and services lies in how user-friendly they are: they facilitate, secure, increase productivity and transform uses.

The Manitou Group's Corporate Social Responsibility (CSR) strategy marks its commitment to building an innovative and sustainable materials handling industry that is fit for tomorrow's world. The name of the Group's CSR approach, the Elevation Plan, therefore conveys meaning in several ways:

- Elevation **is our core business** and our "raison d'être", a way of supporting our users in making their work easier and safer.
- Elevation reflects our commitment to being equal to the challenges facing society related to our activities. We want to be **acknowledge our responsibilities**, those of our stakeholders and work with **the entire value chain** to anticipate and respond to these challenges more effectively.
- Elevation also means **mobilising all of the company's employees** on sustainable development issues, supporting **talent**, promoting **diversity**, **entrepreneurial** spirit and rewarding success, whilst safeguarding optimum **quality of life at work**.
- And finally, elevation means the aim to drive the Group towards **governance that takes into account the Sustainable Development goals**.

This CSR strategy is directly led by Manitou's Executive Committee with the full backing of the Board of Directors.

Since 2015, the Manitou Group has upheld the **10 principles of the UN Global Compact**. This commitment, renewed in 2016, means that we integrate each of these principles into our strategy, our culture, our operations and our stakeholder relations.

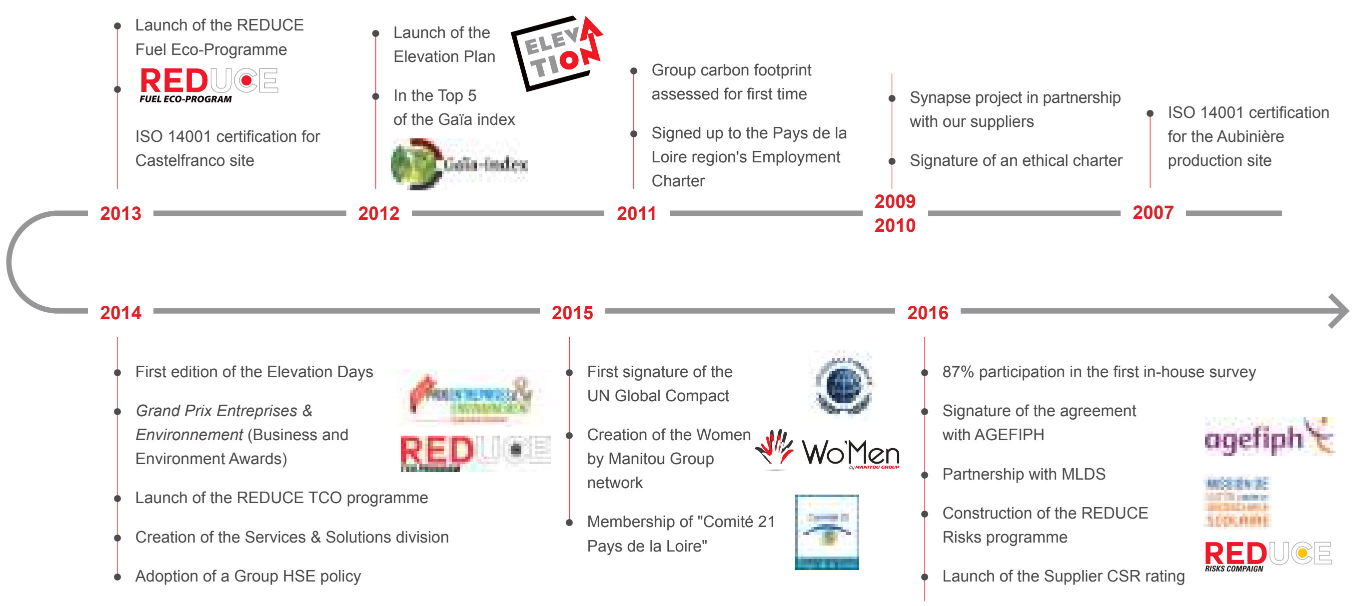
4.1 OUR VISION AND OUR COMMITMENTS

The Group has defined **three major areas of action over the period 2015-2018**, implemented through its Elevation Plan:

- Provider of sustainable solutions
- Powered by Manitou People
- In close partnership with our supply chain

This strategy is based on understanding the major challenges we are facing, listening to our stakeholders and having continuous improvement dynamic since 2009:

A CONTINUOUS IMPROVEMENT APPROACH



OUR MAJOR CHALLENGES

Several major challenges form the foundations on which the company's CSR strategy has been built:

CHALLENGES	**The environmental footprint of products throughout their life cycle**	**Health and safety**
GOALS	- Protection of the environment and resources - Reduction of the total cost of ownership for users - Limit pollutions at our production sites - Improve the service life of our machines and their recyclability - Adapt our offer to meet the challenges of product-service systems	- Reduce health-related (musculo-skeletal disorders, noise pollution, vibrations, ergonomics, etc.) and safety-related risks for users - Risk prevention for our employees, especially at production sites
CHALLENGES	**Strength of the supply chain and partnerships**	**Individual and collective development of our employees**
GOALS	- Promote local approaches - Monitor the financial well-being of our partners - Involve our partners in our CSR strategy	- Attract, develop and build loyalty among talented workers - Ensure our teams reflect the diversity of our customers and our markets - Motivate and unite - Improve working conditions and quality of life at work

THE CONCERNS OF OUR STAKEHOLDERS

To establish the foundations of its CSR strategy, the Manitou Group identified the sustainable development challenges it is facing **in conjunction with 35 of its internal and external stakeholders**. This involved taking into account all of the major environmental, social and economic impacts and, wherever necessary, extending the scope by identifying **new action areas, emerging signals** and beginning to discuss issues or start pilot projects.

The table below specifies the forms of dialogue currently in place, by stakeholder.

Analysis of internal and external expectations, supplemented by a **benchmarking exercise**, helped identify and **prioritise the issues in order of importance** with respect to the stakeholders and the level of maturity in the Group. This analysis served as the basis for the Elevation Plan, developed on page 36.

Stakeholders	Expectations	Group response(s)	Form(s) of dialogue	Key events in 2016
Customers & dealerships	Product quality	Regulatory monitoring and anticipation	Dealership network Customer service Satisfaction surveys External communications (corporate site, brand site, trade fairs, etc.) Training and e-learning	See section "Creating sustainable solutions", page 37
	Product safety	REDUCE Risks programme		
	Reduced Total Cost of Ownership	REDUCE TCO programme		
	Adapt to new uses	S&S (Services and Solutions) division		
	Low environmental impact of products	REDUCE Fuel programme		
	Customer relations	Customer satisfaction measurement		
	Ethical practices	In-house working group on ethical practices		
	Innovation	R&D programmes		
Employees (Divisions, Sales & Marketing and Support functions)	Professional development of employees	Forward-looking employment and skills management policy	Galileo annual reviews	See section "Driven forward by all Manitou Group staff", page 40
		Training policy		
		Mobility policy		
		Hosting of trainees and students on work/study programmes		
	Well-being at work	Satisfaction & commitment measurement and action plans	In-house survey	
		Quality of life at work solutions (remote working, etc.)	HR department Internal communications (Intranet, TOTEM, Manitou Life and forums) Occupational health physician & Social worker Open Days	
		Support for sporting initiatives		
	Promotion of team and individual success/achievements	Rewards/prizes and long service awards		
	Boosting diversity	Gender equality in the workplace	Women by Manitou Group network	
		Intergenerational cooperation		
		Policy aimed at supporting people with disabilities	Disabled persons contact and nurse	
	Labour and trade union rights	Social dialogue	Employee representative bodies and trade unions	
	Commitment to CSR issues	Internal CSR communications	Annual Elevation Challenge, Elevation Days and communication media	
	Health and Safety at Work	HSE policy	HSE Corporation	

4. CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN

Stakeholders	Expectations	Group response(s)	Form(s) of dialogue	Key events in 2016
Suppliers and sub-contractors	Economic competitiveness	Total Cost of Ownership approach	Responsible Purchasing charter Supplier Extranet CSR rating of suppliers Supplier Convention and technical sessions	See section "In close partnership with our supply chain", page 47
	Technological competitiveness	Productivity initiatives		
	Sustainability of supplier relationship	Supplier Development Department		
Local communities	Academic partnerships	Local relations with the education sector and collaborative projects	Partnerships with schools Site visits Handling the Future Challenge Support into employment	See section "In close partnership with our supply chain", page 47
	Reinforcing local presence	Participation in networks	Membership of "Comité 21 Pays de la Loire" Involvement in networks of local players	
	Commitment to the community	One-off and/or long-term donations and support Local partnerships and actions of the Group's subsidiaries	Corporate sponsorship as and when opportune Support for local associations	
Shareholding and financial community	Good governance	Regular detailed communication	Reference Document - CSR section Communication on Progress with the UN Global Compact Answers to questionnaires from non-financial rating agencies Annual response to the Gaïa Index Websites	COP Global Compact June 2016 Response to CDP (Sept. 2016) Gaïa Index rating: 91/100 Corporate website redesigned in 2017
	Relationship of trust and consideration			
	CSR performance transparency			

COMMITMENTS DRIVEN BY THE ELEVATION PLAN

The work done on analysing the challenges facing us and our stakeholders has enabled the Group to identify **three major areas of action, formalised in the "Elevation" Plan.**

This roadmap covers the period 2015-2018. It will be updated in accordance with the Group roadmap.

Area 1	Area 2	Area 3
Provider of sustainable solutions...	Powered by Manitou People	... in close partnership with our supply chain.
Principles Our activity has both positive and negative effects – it is up to us to improve our performances (health, safety, environment and efficiency) with our partners	**Principles** Our success depends on our people – it is up to us to provide them with the best possible conditions for professional and personal development	**Principles** Our suppliers play a key role in our sustainable development performance – it is up to us to support them and innovate in line with our strategy
Priorities • Factoring in the TCO (Total Cost of Ownership) right from the design stage • Local approaches & customer solutions	**Priorities** • Employee commitment • Health, safety and environment: Efficiency & Performance	**Priorities** • Responsible purchasing • Local economic footprint & corporate sponsorship

These commitments aim, in due course, to establish **an integrated CSR model in the business lines, processes and relations with our stakeholders.** In addition to the environmental and social indicators stipulated in the reference document, the Group has opted to monitor **strategic indicators** that represent the priorities of the Elevation Plan. Quantified targets are currently being defined. This **approach, whilst meaningful**, remains complex, and requires regular adaptation work.

CSR GOVERNANCE

The Group's Corporate Social Responsibility policy has been drawn up with contributions from people in all areas of the company. The **CSR Department** (one full-time person) coordinates the various activities, whilst **representatives in the business lines and subsidiaries** ensure that actions and information are shared. These parties meet within a **network that is currently being structured.**

The CSR department reports directly to the **General Secretary**, member of the Executive Committee; it may be contacted using the email address elevation@manitou-group.com.

Twice per year, **the Group Executive Committee** reviews the orientations and progress on the roadmap. The **Board of Directors** is also consulted during definition and approval of the three-yearly action plan and at each strategic reorientation.

Lastly, the social, societal and environmental data required for non-financial reporting are collected by **local contributors**. They are consolidated by CSR network leaders. **Internal auditors** approve the reported data and the consolidated indicators. The published indicators are also audited by an **independent external auditor**.

4.2 AREA 1: A GROUP THAT CREATES SUSTAINABLE SOLUTIONS

In our products and our activities, **we have a responsibility regarding our environmental, economic and social footprint.**

We have to make the required efforts, both internally and throughout our value chain, at least matching those of our customers in their own activity scope.

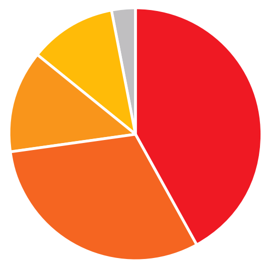
FACTORING IN PRODUCT LIFE CYCLE

OUR CHALLENGE:
ENVIRONMENTAL FOOTPRINT ON THE LIFE CYCLE

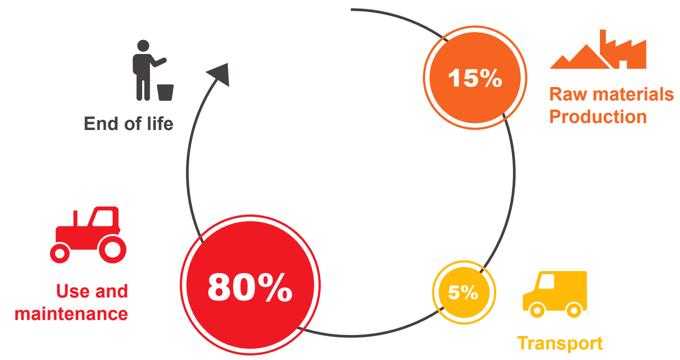
In order to understand more clearly where the hot spots of our activity are located, we conducted several specific studies:

- A multi-criteria life cycle analysis, in 2012-2013, looking at the life cycle of a benchmark agricultural machine from our product range, the MLT 735.
- The company's carbon footprint assessment covering its entire scope(1) in 2013.
- Each year, the carbon footprint assessment as per the regulatory scope(2)

Total Cost of Ownership for a machine (2015)



Environmental impact of a machine throughout its life cycle (2013)



For all these topics, factoring in eco-design at all stages of the life cycle is a key point in studies. Studies show that **approximately 80% of our environmental impact stems from use of our machines** by our customers (depending on the impact categories evaluated) and in particular from their fuel consumption. **Reducing the consumption of the machines** is therefore a strategically important priority in our action plan and it is for this reason that the REDUCE programme was created (see page 38).

CREATION AND ACTIONS OF THE ECO-DESIGN WORKING GROUP

In 2016, an eco-design **working group** was formally created. It brings together contacts from the engineering offices, design, purchasing, HSE and the S&S division, which provide TCO and CSR expertise. Two actions are currently in progress:

- The definition of an **eco-design checklist** intended for the engineering offices and purchasing, so that the environment and the life cycle of machines are factored in from the design stage.
- A **collection of best practices and existing achievements** within the Group that may be related to eco-design.

In the second half of 2017, initial feedback on these actions will enable us to consider running an eco-design pilot for a new project.

THE CIRCULAR ECONOMY AT MANITOU

CSR challenges are gradually factored in at each stage of the life cycle of the machine and our activities. The CSR initiatives already implemented within the value chain demonstrate the contribution that they can make to profitability.

OPTIMISED SOURCING AND DISTRIBUTION:

Starting from the observation that the volume of the trucks was not being fully utilised and that this generated additional costs and environmental impacts, the logistics teams developed and deployed a European logistics flow optimisation tool for carriers, based on the volume, dimension and weight of the products transported.

Optimisation is being discussed regarding a distribution consolidation platform, which would help reduce the distances covered by promoting departures from local shipping ports.

Furthermore, self-assessment of the CSR performance of the carriers implemented in 2015 means that 10% of overall supplier performance can be correlated to CSR criteria. Analysis of these ratings is scheduled to start in 2017 and will enable corrective actions to be put in place together with the suppliers, who will have the chance to improve.

A MOVE TOWARDS MORE SOCIALLY-RESPONSIBLE SUPPORT SERVICES:

It is also the responsibility of those running support functions to support the company's CSR commitments. For example, various actions have been or are being implemented:

– Paperless HR media:

In the first half of 2017, the Manitou Group will finalise the implementation of an employee digital vault for France, which will avoid the need for paper documents and to send letters and documents by post.

(1) The scope included the three Scopes defined by the GHG Protocol: Scope 1 (direct emissions), Scope 2 (indirect emissions related to electricity usage) and Scope 3 (other indirect emissions, throughout the value chain).

(2) The regulatory scope concerns Scopes 1 and 2 only; measurement is only mandatory once every four years, but we undertake the assessment each year. In 2016, however, the calculations were not audited.

Actions taken within the IT department:

A project aimed at modernising and expanding the use of video conferencing tools has been started, making it easier to use them and therefore limit certain types of business travel.

The consolidation of computer infrastructure for certain subsidiaries within our datacenter is set to streamline energy use by optimising the surface areas of the storage and processing facilities.

ACTIONS TAKING INTO CONSIDERATION THE END OF LIFE OF OUR MACHINES FROM THE DESIGN STAGE:

In line with the 3Rs (Reduce the quantity of waste generated, Re-use machines, parts and accessories, and Recycle materials) procedure, the Manitou Group is working on:

- **Optimising the service life of its machines:** implementation of actions promoting preventive and corrective maintenance, choice of components with as long service life as possible from the design stage, work on improving the reliability of components through the use of corrective maintenance statistics by Quality departments, etc.;
- **Promoting the use of new or used spare parts:** through our spare parts logistics centres based in Ancenis (France) and Belvidere (US), almost 2,000 daily orders are processed, with an order fill rate of close to 95%. They help maintain the machines in optimum working order and prolong their service life.
- **Deploying a network of used machines:** a refurbishment centre was created in 2015 and continues to gradually grow in size and scope, aiming to recover, repair and recondition machines, for the most part made by Manitou. Almost 160 machines were refurbished here in 2016.

It is also a central location in supporting the deployment of **long-term lease offers with financing and complementary services – so-called "ALL-IN" deals –** (see below) which, in the near future, will need infrastructure in order to manage the return of these machines.

Furthermore, the Group continues to promote the premium used-machine market, with 900 reconditioned machines available on our website, used.manitou.com.

- **Offering dismantling simplification solutions to plan for the end of life of machines and promote the recycling of materials:** the role of Manitou in this part of the process is currently limited, insofar as we are rarely called up to physically manage the end of life of the machines. However, the Group feels concerned by this issue and is proposing alterations to its products from the design stage in order to facilitate the end-of-life management of its equipment.

OUR CHALLENGE:
PRODUCT-SERVICE SYSTEMS

The Manitou Group operates in a society where consumer habits are changing. Habits previously focused on the consumption of goods, having once been the standard, are gradually shifting towards usage.

The used, leasing and all-inclusive services markets enable the ties between value creation and the use of non-renewable resources and energy consumption to be severed.

This change in model as regards the ownership of machines should promote the durability and pooled use of our machines. This calls for innovation in supporting end customers, because the value of our products no longer resides only in the quality of our machines, but also in the economic value that our services may provide.

In partnership with our network of dealerships, the Services & Solutions division is developing solutions that meet these new requirements in order to support each customer more effectively in the use of his/her equipment:

- The **network of 1,400 Manitou dealerships** spread throughout 140 countries and the 2,000 regularly-trained expert technicians offer support to users, from purchase of the equipment through to after-sales service.
- **Maintenance contracts** help keep machines in good working order and retain better value for money for the machine.
- **Financing offers** and long-term leases, the "**ALL-IN**" deals, facilitate investments, regardless of the activity of the customer.
- **Warranty extensions** provide added value, protecting the equipment beyond the contractual warranty.
- The connected solution **Easy Manager** is a simple and flexible tool for managing, optimizing and securing the operational monitoring of machines.
- The Manitou network's used machines website, **used.manitou.com**, provides customers with support in finding the right equipment.
- **Manitou original parts** guarantee consistent performance and a longer service life for the equipment.

LEADING THE REDUCE APPROACH

OUR CHALLENGE:
THE AIM OF THE REDUCE PROGRAMME

The REDUCE approach aims to improve the quality of working life for the users of our machines, to increase productivity and provide better protection for the environment. To achieve this goal, three areas of the REDUCE approach have been developed:

- **REDUCE Fuel**: since 2013, this programme aims to measure and report on the fuel consumption and CO_2 emissions of our machines in complete transparency. The purpose is to support our customers in reducing their environmental footprint and to reduce the environmental impact of our products.
- **REDUCE TCO**: since 2015, this programme has aimed to inform our customers about the cost breakdown of the machines and to improve the profitability of their production tool.
- **REDUCE Risks**: this programme is under construction and aims to support customers in the reduction of health and safety risks for users of the machines.

The strategic areas of the innovation plan are therefore based on three customer benefits: energy, working comfort and efficiency, and safety. A website dedicated to the entire approach is currently under construction and will be available at the address http://reduce.manitou-group.com.

REDUCING FUEL CONSUMPTION OF MACHINES: REDUCE FUEL

THE REDUCE FUEL PROGRAMME IS GEARED TOWARDS FIVE KEY ACHIEVEMENTS:

1. Measure fuel consumption and the related CO_2 emissions using an internal protocol, drawn up for the four representative activities of the machine: idle, handling, loading and road. Measurements are taken on the agricultural, construction and aerial work platform ranges (since 2016). 11 new machines were added this year; some Gehl and Mustang machines will follow in 2017.

2. Improve the reliability of the data, the procedure and the conducting of tests, through the annual audit of the protocol by UTAC-CERAM, a recognised, independent certification organisation. Furthermore, the Group has been supporting a standardisation project since 2016. The aim is to build on the protocol produced to create a European reference standard. In 2017, the Group will present this draft standard to the ISO (International Standardisation Organisation) in order to make it a global benchmark.

3. Inform end users, in particular through cab stickers added as machines leave the plant, in dealerships and during trade fairs. Furthermore, a web application (http://reduce.manitou.com/) has been designed, which may be accessed by everyone and is regularly updated. It enables users to post the fuel consumption of Manitou and competitor machines according to usage, and to assess the related costs and emissions of greenhouse gases (GHG).

4. Support users and dealers through services and solutions aimed at raising awareness and training: in addition to advice on eco-driving, an eco-driving simulator used at trade fairs or in dedicated sessions presents a full-scale model of cab ergonomics and reproduces real-life situations for users. An eco-driving training session was also tested with end users. An average reduction in fuel consumption of 12% was noted at the end of the training. Further sessions are under consideration for 2017.

5. Improve the performances of the machines by providing technological solutions derived from R&D, such as the control valves and hydraulic regeneration or the two new transmissions with eco-mode installed as standard on the new ranges of agricultural machines, NewAg and NewAg compact, in 2016. The benefits in terms of improved fuel economy and reduced emissions of GHG will be measured during 2017.

REDUCTION OF THE TOTAL COST OF OWNERSHIP OF OUR MACHINES: REDUCE TCO

Total Cost of Ownership (TCO) is a method used to calculate the cost of equipment, taking into account not only the **direct and fixed costs** (purchase, interest, residual value, etc.), but also all the **indirect and variable costs** (maintenance, fuel, training, etc.) related to use of the machine.

REDUCE TCO is a programme that seeks to highlight the most significant cost centres before purchasing and **raise awareness among users about cost reduction**. To do this, **a calculator has been created**, which may be accessed online at http://tco.manitou.com. Since almost a third of the TCO of our products is related to customers' fuel consumption, there is a close link with the REDUCE Fuel programme.

The work done to reduce TCO at all stages of the life cycle of our machines has resulted in the following:

- TCO reduction targets are now integrated **from the design stage** for new products or new technologies;
- **Preventive and corrective maintenance costs** are taken into account by optimising the servicing periods, for example, the volumes of oil used or the number of filters, or improving the reliability of structural components, thus extending the service life of the machine;
- A switch to a **service model**, as explained on page 38.
- This approach was developed and structured in 2015. In 2016, the following improvements were made:
- The application has been optimised and **the overall design is currently being revised** (new version scheduled for release in H1 2017). The site has also been duplicated specifically for the Gehl and Mustang brands (http://tco.gehl.com and http://tco.mustangmfg.com);
- **The methodology and models** used have been improved, especially as regards maintenance costs;
- Work has been done to take TCO into account **in the development of new machines**: TCO targets are now stipulated when launching new products and are monitored throughout the project;
- Lastly, statistics on **corrective maintenance data** (faults, breakage, wear, etc.) have been **gathered from our dealerships** in order to fine tune the relevant models used in the application.

HEALTH AND SAFETY OF OUR USERS: REDUCE RISKS

The aim of the REDUCE Risks programme, created in 2016 and being rolled out in 2017, is to **further promote the Group's expertise as regards the safety** of our machines and to offer **support to users** in reducing risks.

PROMOTING OUR EXPERTISE AS REGARDS THE SAFETY OF OUR MACHINES.

Offering safer machines to our users involves working at various levels:

- **Our tests** – visibility, endurance, stability and acoustics – especially on test beds.
- **Our dedicated technologies and expertise** thanks to five design offices. Specific development work is done to adapt specialised technologies to each range of machines: load condition controller, attachment identification, patented stabilisers, safety valves on cylinders, etc.
- **The equipment we offer**, which increase the safety of users (presence sensors, anti-slip floors, windscreen grill, etc.), the load (mast cameras, suspended load modes, etc.), the machine surroundings (360° cameras, obstacle detectors, laser sensors, etc.) and the machines (reflectors, panoramic rear-view mirrors, etc.).
- **Our attachments,** because each machine-attachment coupling followed a precise approval process.
- **Our services, adapted**, designed and developed specifically for special contracts, which are more acutely exposed to risk: mining, defence, environmental and aerospace markets, etc.

SUPPORT USERS IN REDUCING RISKS:

The Group would like to raise awareness of best practices for using equipment in complete safety, and make it easier for users to get to grips with our machines. As such, **short videos** will be available on the website http://reduce.manitou-group.com. They will include **instructions and best practices, covering a large number of topics related to the use of our machines.** At the same time, work will be done to make it easier to understand the **Basic Instruction Sheets** (BIS), inserted in the machine log books. Lastly, posters featuring advice on how to use machines as safely as possible will be produced to support the launch of REDUCE Risks.

It is also planned to develop, with the help of the relevant stakeholders, **tailor-made offers and options**, which will enable us to meet specific safety requirements on our machines.

COMFORT IN OUR MACHINES: ERGONOMICS, VIBRATIONS AND ACOUSTICS

The major challenges as regards **ergonomics** issues are to improve **visibility** in the cabs, access to and the **comfort of the driver's cab**, standardise the **position of the controls** across our ranges and organise the **human-machine interfaces**.

Moreover, it is also by improving **acoustic and vibratory** comfort in the cab that it is possible to significantly reduce the overall level of noise emissions and vibrations.

ERGONOMICS

These are just some examples of ergonomic developments that we have made:

- The **JSM**, a joystick designed and developed by the Design and R&D departments, is now installed on the majority of our trucks. Its shape avoids muscular tension and arranges the functions in the most natural way possible.
- Adaptation of the cab space to take account of the **growing size of users**.
- The **Comfort Steering System**: a single turn of the steering wheel is now required to complete a full rotation of the four wheels, instead of the four turns required previously.

INTERNAL AND EXTERNAL ACOUSTIC COMFORT, AND VIBRATORY COMFORT IN THE CAB

Since 2015, R&D has acquired specific skills in the field of acoustic perception. In 2016, the department created a new generation of telehandlers for the agricultural sector, the **"Silent Force"** MLT 840 and MLT 1040 models: soundproofing of the cab was improved, delivering a **six decibel reduction** in noise, compared with previous versions of the same machines.

4.3 AREA 2: SOLUTIONS POWERED BY MANITOU PEOPLE

Manitou Group staff are responsible for creating the **conditions needed for our lasting economic success**. We are committed to offering them **working conditions conducive to their professional and personal development**, and to **involving them fully** in our CSR strategy.

Moreover, our health and safety policy is to **prevent workplace accidents and occupational diseases**, taking into account all risks and involving all the key players.

Lastly, we work with employees to reduce **environmental impacts at our production sites,** via our environmental management system.

SOCIALLY RESPONSIBLE EMPLOYER

OUR CHALLENGE:
OUR COMMITMENT AS AN EMPLOYER

The Manitou Group staff are central to our societal responsibility. There are many challenges:

- **Attract, develop and build loyalty** among the talented workers that we will need to design, manufacture and sell the machines and services of the future.
- Ensure our **teams reflect the diversity** of our customers and markets.
- Continue to **motivate and unite** all of our members of staff throughout the world.

The HR teams are committed to delivering **sustainable and profitable growth** thanks to the performance of our members of staff, our processes and the culture of our Group.

Between 2015 and 2018, the period covered by the Group's current commitments, five priorities have been identified: strengthen business partnerships, support transformation of the Group, promote our human capital, engage our employees and modernise the HR function.

Our employer commitment is therefore focused on promoting our employees, especially as regards the priority afforded to:

- Their professional development
- Their health and safety
- Their well-being
- Boosting diversity
- High quality social dialogue

GROUP HEADCOUNT

Group headcount can be broken down as follows:

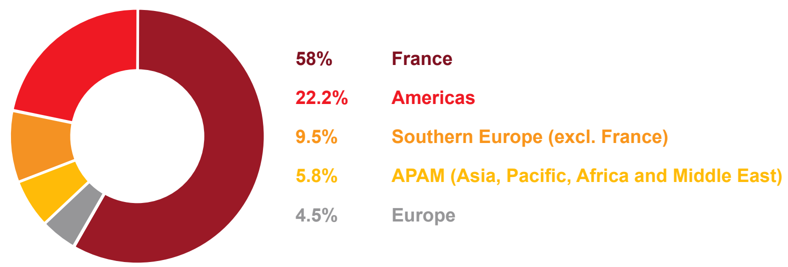
			2014	2015	2016
Headcount at 31/12	Registered headcount	Nb	3307	3214	3301
	Permanent contracts	%	98.46%	97.88%	97.76%
	Fixed-term contracts	%	1.54%	2.12%	2.24%
	Temporary workers	Nb	105	302	277
	VIEs (Volunteers for international experience)	Nb	6	2	3
	Employees on international mobility	Nb	17	18	13
Breakdown by geographical area	France	%	56.4%	58.0%	58.0%
	Southern Europe (excl. France)	%	9.2%	9.6%	9.5%
	Northern Europe	%	4.1%	4.5%	4.5%
	Americas	%	25.5%	22.6%	22.2%
	APAM	%	4.9%	5.2%	5.8%
Headcount breakdown by age	Aged 24 and under	%	3.4%	2.6%	3.0%
	Aged 25-34	%	22.8%	20.4%	19.7%
	Aged 35-44	%	36.3%	37.9%	37.5%
	Aged 45-54	%	24.6%	25.6%	26.5%
	Aged 55-64	%	12.2%	12.6%	12.2%
	Over 65	%	0.8%	0.9%	1.0%
Headcount breakdown by length of service	Less than a year	%	6.4%	5.8%	10.0%
	1-4 years	%	29.5%	26.1%	21.4%
	5-10 years	%	22.5%	24.4%	24.8%
	11-20 years	%	26.7%	28.7%	28.6%
	21-30 years	%	9.1%	9.9%	10.9%
	Over 31 years	%	5.7%	5.2%	4.3%
Movements of permanent headcount	Recruitments on permanent contracts	Nb	408	265	340
	Resignations	Nb	194	212	138
	Redundancies	Nb	61	86	62
	Other reasons (mutual agreement, retirement, death, etc.)	Nb	73	77	59
	Voluntary departure rate (resignations/avg. perm. headcount)	%	6.01%	6.61%	4.32%
Headcount breakdown by status	Executives	%	19.1%	20.1%	20.8%
	Supervisory staff	%	2.1%	2.1%	1.9%
	Technicians	%	28.7%	30.3%	30.4%
	Operators	%	50.1%	47.5%	46.9%

			2014	2015	2016
Female headcount breakdown by status	Executives	%	20,5%	21,1%	22,4%
	Supervisory staff	%	5,9%	4,4%	1,6%
	Technicians	%	32,6%	31,3%	31,2%
	Operators	%	8,1%	8,1%	7,7%
	Total	%	17,4%	17,7%	17,8%
Portion of headcount working in sensitive countries in terms of basic employment rights and corruption		Nb	149	156	178
		%	4,51%	4,85%	5,39%
Payroll (Scope: France*, Italy, USA)	Total payroll	€	129 911 267	130 426 826	133 050 950
	Change	%		0,4%	2,0%
	Change in headcount	%		-4,9%	1,6%

France scope is understood to exclude LMH

The Manitou Group recruited 340 employees on permanent contracts in 2016. In total, 98% of headcount is employed on permanent contracts. 58% of our headcount is based in France.

Breakdown of headcount at 31/12/2016 by geographical area



THE PROFESSIONAL DEVELOPMENT OF OUR EMPLOYEES

The following initiatives form the commitments taken in 2016:

AN ANNUAL DEVELOPMENT CYCLE

Each employee is considered within the Group as a Talent that the company must allow to develop. To move in this direction, four managerial cornerstones were put in place by the Human Resources department:

Performance reviews for our Talents via a formal annual meeting geared towards the development of employees.

The setting of annual objectives for our Talents aligned with the strategic objectives of the Group. Each employee, driver of his/her own professional development, sets challenging and stimulating goals in conjunction with his/her line manager. The joint setting of objectives makes the assignments of employees meaningful and encourages their commitment.

The review of Talents and organisations, which opens up discussion on collective and individual performance within each organisation. This review also helps prepare for future skills developments and succession plans.

The development of Talents, which involves regular feedback throughout the year, challenging assignments, new projects, support from line managers and other colleagues and any other action that contributes to regular training at all levels of the organisation.

AN AMBITIOUS TRAINING POLICY

The desire to support the skills development of our employees goes hand in hand with a commitment to training, especially in France, which amounts to 2.22% of the payroll, and on average 15.3 hours of training per year, per employee.

			2014	2015	2016	Scope
Training	Training expenses	€	2 076 180	1 925 676	2 217 319	France*, Italy
	Total payroll	€	85 829 961	86 845 097	89 766 021	France*, Italy
	Portion of payroll dedicated to training	%	2.42%	2.22%	2.47%	France*, Italy
	Employees that have attended at least one training course	Nb		1 340	1 357	France*, Italy
	Access to training rate	%		64.02%	63.50%	France*, Italy
	Total number of hours of training	Nb	29 206	28 351	32 672	France*, Italy
	Average number of hours of training per employee	Nb	13.78	13.55	15.29	France*, Italy
Safety training	Number of hours devoted to safety	Nb		4 286	6 245	France*, Italy
	Portion of training time devoted to safety out of the total training time	%		15.1%	19.11%	France*, Italy
	Number of hours devoted to safety	Nb		6 835	7 966	France*, Italy, USA

France scope is understood to exclude LMH

We support our employees in their assignments, in developing their knowledge and know-how, and in potentially improving their interpersonal skills. Our training offer combines role plays, ongoing feedback from managers and in-house and off-site training.

The training policy is guided by the strategic priorities of the Group and the priorities of each department, signed off during the OPR (Organization & People Review) managerial process.

4. CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN

In 2016, several actions were instigated:

- **The development of managerial capabilities**

In order to boost the entrepreneurial and responsible side of our management approach, a new Manager Pathway was created. This progressive, modular programme is offered to all managers within six months of taking up their position, helping them to support their teams in fulfilling their missions more effectively.

- **The strengthening of our strategically-important specialist functions**

We would like to boost the skills and training of our employees to support their mobility in strategically-important specialist functions.

For example, this year, the fifth intake of the Tech SAV programme – which started in 2015 – welcomed four employees. Over a period of 18 months, they acquired the skills needed to join one of the After-Sales specialist functions though technical training, English lessons, on-the-job experience in various departments, subsidiaries and the network, as well as support from their sponsor, one of last year's intake. In total, in the four years that the programme has been running, 19 employees have "graduated".

Similarly, four applicants that were part of the first intake of the internal Supply Chain Technician programme obtained their CQPM (joint qualification certificate in metalwork, Logistics Technician) certificate in 2016.

- **Manitou Americas learn about all things in French**

Around thirty American employees took part in "French language and culture" sessions, aimed at strengthening cultural ties and cooperation throughout the Group between teams.

- **In-plant training in the Group and internal cooperation**

Since mid-2016, new executives in France enjoy a week's training at the production sites, giving them the opportunity to learn about the group's specialist functions, expertise and products, as well as integrating quickly and easily in the company. Almost 30 people have already benefited from this kind of training.

Half-day information sessions intended for administrative employees based in France have also been set up. The aim is to develop and update employees' knowledge of the Group's industrial environment and products in order to unite the teams behind a shared ambition.

THE INTERNATIONAL MOBILITY POLICY

80% of Manitou's business is conducted internationally. Moreover, 42% of the Group's workforce is located outside of France and 35% of Top Management are not French. In order to develop our international exposure and promote international mobility, the Group established a new support policy in 2016. 13 employees are on international mobility in 2016.

THE HOSTING OF TRAINEES AND STUDENTS ON WORK/STUDY PROGRAMMES

Each year, the Manitou Group hosts and trains students at various stages of their studies. In fact, the Group was one of a limited number of companies to be awarded the 2016-2017 HappyTrainees label, from a total of more than 4,000 organisations. Six criteria were evaluated by trainees and students on work/study programmes that had spent time at the company: Professional progression, Stimulating work environment, Management, Motivation, Pride and Fun & Pleasure. Manitou Group earned an overall rating of 4.15 out of 5, and a recommendation rate of 93.5%.

The Group also pursued its commitment to work/study programmes, welcoming some 73 students in 2016.

THE WELL-BEING OF OUR EMPLOYEES

The Manitou Group monitors the well-being of its employees by improving the work environment, offering them the best working conditions possible.

LISTENING TO OUR EMPLOYEES

In 2016, the Manitou Group measured the satisfaction and commitment of all Group employees thanks to its first worldwide in-house survey. The participation rate was 87%.

This anonymous survey highlighted our strengths whilst determining the areas needing further development, to improve the experience and quality of life at work of each and every employee.

The two major lessons from this survey at Group level were the strong commitment of our employees and the opportunity to give them the best possible conditions in which they can be successful in their assignments.

Following this survey, many discussions were held with volunteer employees in order to identify ideas for improvement. By the end of December 2016, more than 100 action plans had been established in all Group regions and within each department.

QUALITY OF LIFE AT WORK

In order to improve the work-life balance of our employees, 8% of company executives had opted a remote working solution by the end of 2016. Similarly, working hours arrangements are regularly accepted for employees interested in putting such arrangements in place, wherever the organisation of activities allows for this.

In 2016, we arranged for the regular presence of a social worker at our French sites. He/she met with employees, in confidentiality, advising them and supporting them in their procedures.

Lastly, a key indicator of company performance, the absenteeism rate is monitored on a regular basis, especially as regards absences related to workplace accidents and occupational diseases. The average rate in 2016 is 3.79%.

EMPLOYEE PRIDE

The in-house survey conducted in 2016 found that 72% of Group employees described themselves as "committed".

The Group is mindful of this commitment, illustrated in its decision to open up the workplace of our employees to their families: in October 2016, the Open Days at the main French industrial site in Ancenis welcomed over 4,200 visitors, with the help of almost 300 volunteer employees. Families were able to visit the plant and the offices, discover the ranges of machines and enjoy themselves at the fun workshops. In Italy, at Castelfranco, the "Family Day" held in September 2016 welcomed more than 750 people, including the families of employees and some local partners.

PROMOTION OF TEAM AND INDIVIDUAL SUCCESS/ ACHIEVEMENTS

Rewarding the achievements of employees is a key ingredient in maintaining commitment and motivation. We have put in place several initiatives to regularly acknowledge the commitment of our employees:

Encourage: the "Spot Awards" in Manitou Americas are a recognition programme voted on by peers for employees that have demonstrated particular commitment in the workplace.

Promote: long service medals in France reward the years of service, experience and commitment of employees. Medals are awarded during a special ceremony at each site.

Reward: the leading achievements of the year are rewarded each year, in seven areas, including the likes of most improved market share, best service initiative or leading innovation.

INTERNAL COMMUNICATIONS

Group employees are regularly informed about news, initiatives and changes made within the organisation, which helps to strengthen the bonds between them and boost commitment, whilst also giving meaning to the assignments entrusted to employees.

We have several media and means of communication to help with this: the internal newsletter TOTEM in France, Manitou Life at international level, the Intranet at Group level and the management forums.

SUPPORT FOR SPORTING INITIATIVES

Sport helps to convey the culture of our Group and unite teams. That's why each year we support our employee's involvement in sports, either individually or collectively. For example, Almost 140 participants from the company – and five different nationalities – took part in this year's Triathlon de La Baule. Close to 100 employees took part in the relay race Team & Run, organised at the company's head office.

These events are about enjoying yourself, pushing yourself to the limit and perseverance; they give all our employees the chance to compete on behalf of their company.

BOOSTING DIVERSITY WITHIN THE ORGANISATIONS

Diversity in the Manitou Group can be seen in these key figures:

- 13.2% of Group employees are aged 55 or over
- 23% of Group employees are aged 35 or under
- 17.8% women in the Group worldwide headcount (22.5% among executive headcount)
- 28 nationalities are represented
- 77 people with disabilities in France

The Group also regularly boosts its actions aimed at promoting diversity.

GENDER EQUALITY IN THE WORKPLACE

We have taken some deliberate steps to boost gender equality, especially by increasing the number of women working in technical and industrial specialist functions.

A charter designed to promote equality in the workplace was signed in 2015 and aims to guarantee equality of treatment and non-discrimination within the group. It also guarantees equality of opportunity, regardless of ethnic, cultural and social differences. Lastly, it aims to support the diversified representation of all demographic groups within the organisation, through our employee recruitment, loyalty-building and development processes.

Two years after the signature of our agreement aimed at promoting gender equality in the workplace, a key aspect of the corporate culture of the Manitou Group, 80% of the 10 goals stated in the agreement have been met.

The two key objectives set in this agreement (make it easier for women to perform management duties and promote access to management positions for women with equivalent skills and performances) were taken up as priority goals of the internal network, **Women by Manitou Group.**

This network, formed in April 2015, now has more than 40 members, men as well as women, from all social and professional categories. The members work in practical ways to promote equality in the workplace by organising various actions:

- **Raising awareness** of gender diversity through internal and external communications, the organisation of panel discussions with outside speakers, participation in external events and discussions with students during plant visits and trade fairs.
- **Supporting women** who want to develop professionally by setting up mentoring programmes, and encouraging women working in a production setting to showcase their skills in order to acquire additional responsibilities in the teams.
- **Carrying out specific studies**, for instance, on the perception of professional equality and career advancement among Group employees.

Through these kinds of initiative, the network is gradually helping to change attitudes and improve real gender equality at all levels of the organisation.

INTERGENERATIONAL COOPERATION

At the end of 2014, the Human Resources department began an initiative aimed at improving the transmission of existing skills and anticipating the acquisition of new skills through greater intergenerational cooperation.

Seven key business lines were identified (Purchasing, Research & Development, Product Marketing, Testing, Welding, After-Sales Services and IT), each afforded special attention from management and the Human Resources department.

The aims of this approach including gradually anticipating future retirements and setting up skills transmission arrangements that ensure that knowledge and skills are kept within the organisation over the long term. Employees aged 50 and over in these specialist functions can therefore take part in or lead in-house training as experts and teach young employees about their specialist skills. We also continue to encourage the recruitment of students on work/study programmes and therefore continue to set up partnerships with technical colleges, engineering schools and universities.

POLICY AIMED AT SUPPORTING PEOPLE WITH DISABILITIES

Following the creation of the Charter committed to supporting people with disabilities in 2015, our Group has incorporated a strategy of sustainable employment for people with disabilities in its culture. In 2016, the portion of people with disabilities working in the group rose from 3.39% to 3.60%.

		2014	2015	2016	Scope
People with disabilities	Nb	68	71	77	France*, Italy
	%	3.21%	3.39%	3.60%	France*, Italy

**France scope is understood to exclude LMH*

In France, an agreement with AGEFIPH (Fund Management Organisation for the Professional Integration of People with Disabilities) was signed in 2016 in order to boost employment for people with disabilities.

The partnership agreement between AGEFIPH and the Manitou Group took shape in 2016 in a number of ways: maintaining in work and assistance with developing career plans for Group employees with disabilities, training for management in order to involve them in this approach, internal communications, recruitment of people with disabilities with the "Entreprise Handi-accueillante" (Disability-friendly company) label and strengthening of partnerships with local ESATs (rehabilitation centres providing support and assisted work to people with disabilities) in conjunction with the Group Purchasing department.

Furthermore, as part of European Disability Employment Week, the Group chose to highlight visual and hearing impairment at its French sites. Practical steps are taken to raise awareness and provide information: a time for listening, sporting and non-sporting activities and internal communications. In total, more than 550 people took part in these activities in 2016.

SHARING COMPANY CHALLENGES THROUGH SOCIAL DIALOGUE

In 2016, we embarked upon an in-depth social dialogue with the trade unions and various key players, especially operational, from the company.

The priority area of the negotiations involved sharing with the trade unions **the company's need for economic development whilst retaining the social model** of the Group. For example, a new profit-sharing agreement, signed by all the trade unions, incorporated new economic criteria.

During the statutory annual negotiations in 2016, the trade unions noted that the Group expected to continue to improve profitability, which meant that **discussions were relatively relaxed and constructive**, concluding with the signature of a unanimous agreement.

The elections of employee representatives enabled all the sites to become independent as regards labour relations and therefore be able to **negotiate their own agreements**. Specific agreements regarding work organisation, matching the needs of each activity, were then signed.

ENCOURAGE AND ACKNOWLEDGE THE TEAMS: CSR, A DRIVER OF COMMITMENT AMONG OUR EMPLOYEES

CSR can be an important driver in building loyalty and commitment among employees.

We have chosen to give our subsidiaries the **freedom to take ownership of the commitments** of the Group in order to deploy their actions in line with the local culture and challenges.

This approach means that initiatives have **local presence**, are more effectively appropriated by teams and aligned with local practices. Some of our subsidiaries have even taken a lead in this area by becoming more involved in local networks.

In order to create a feeling of joint responsibility and a sense of competition around the Elevation Plan, we are running **Elevation Days** each year, a week of activities at all sites. Informative or fun activities are provided on various CSR-related themes: exhibitions, conferences, discussion evenings, presentations, etc. These initiatives are increasingly held both on the production sites and in subsidiaries.

The week concludes with the prize-giving ceremony for the **Elevation challenge**, highlighting the **key projects and everyday innovations**, either in progress or already deployed. This approach also promotes the **'intrapreneurial' aspect of our activities**.

In 2016, for example, this challenge rewarded a project to improve cab sound comfort, the creation with our suppliers of a lower impact tyre (Manitou Americas), the set-up of Pilates classes (Aubinière) and the donation of clothes to charitable associations (Manitou Australia).

HEALTH AND SAFETY AT OUR PRODUCTION SITES

OUR CHALLENGE:
THE HEALTH AND SAFETY OF OUR MEMBERS OF STAFF

Every day, more than 1,500 operators work in our production plants in mechanical welding (chassis, booms and masts), assembly or in the paint booths. These various positions come with **risks for the operators**: handling heavy loads, unsuitable work postures, the dangerous nature of the machines used, etc.

The other main risks stem from:

- The workstation: mechanical or manual tools, welding and grinding devices, etc.
- The surroundings of the workstation: movement of people and machines, movement of overhead cranes, risks of eye injuries, noise and vibrations, etc.
- The use of chemicals.

We therefore ensure that **prevention and training** are among our priority actions.

Our health and safety policy is to **prevent workplace accidents and occupational diseases** by taking into account all risks. To do this, the involvement of all key players is crucial.

Our **employees** are aware of health and safety issues; **actions** on the major risks are put in place and **results** in terms of severity and frequency rates are incorporated in the performance assessments of production managers and HSE teams.

			2014	2015	2016	Scope
Rate of absenteeism due to accidents and illnesses (including occupational diseases)	Rate of absenteeism due to illness	%	2,63%	2,89%	3,29%	France*, Italy
	Rate of absenteeism due to workplace accidents and occupational diseases	%	0,61%	0,66%	0,50%	France*, Italy
	Rate of absenteeism due to accidents and illnesses (including occupational diseases)	%	3,24%	3,55%	3,79%	France*, Italy
Frequency rate and severity rate for MANITOU employees	Frequency rate	%	15,30%	12,36%	15,45%	France*, Italy, USA
	Severity rate	%	0,35%	0,32%	0,34%	France*, Italy, USA
Frequency rate and severity rate for temporary workers	Frequency rate	%	46,5%	18,5%	19,03%	France*, Italy
	Severity rate	%	0,36%	0,15%	0,18%	France*, Italy
Number of known occupational diseases in the year		Nb	16	8	3	France*, Italy

France scope is understood to exclude LMH

2016 saw a drop not only in accidents but also in their severity at the Aubinière site. These results can be explained by the various projects jointly conducted by the HSE department and the various sectors of the site.

DANTOTSU APPROACH

The DANTOTSU approach to analysing workplace accidents has been deployed in the mechanical welding and assembly production facilities. This approach is used to analyse the various accidents in a more in-depth manner. It is also a very good tool for weekly active participation by various contacts in the field. The approach will be rolled out in other sectors of the site in 2017.

AID FOR WORKING CONDITIONS

The company drew up formal processes by putting in place practical safety coordination tools. The results are encouraging in France: the accident frequency rate dropped by 4% in 2016. We aim to deploy this methodology in the other entities of the Group.

The law on arduous working conditions has led us to continue auditing all of our operator and logistics officer positions in order to identify high-risk positions for the health of our employees.

Improvement measures are regularly implemented; for example, we provided more than 1,000 operators with protective ear muffs in 2016, so that the noise to which they were exposed was below the recommended level of decibels.

Lastly, a number of investments were made to improve working conditions: handling equipment, DC electric screwdrivers, handling support arm, personal protective equipment (PPE), etc.

OCCUPATIONAL MSDS (MUSCULO-SKELETAL DISORDERS)

We were targeted by CARSAT (the pension and workplace health insurance fund) to work with them and the company's CHSCT (Health, Safety and Working Conditions Committee) on "Occupational MSD", a prevention strategy, at the end of 2013.

At the CLPR (Spare Parts Logistics Centre), a four-year action was implemented:

- Following an initial phase studying the current and historic context, the positions at the CLPR were analysed; for all the positions affected by an MSD issue, in conjunction with the safety manager, a representative from the CHSCT, one or two employees in the position and sector supervisors, a detailed study of the working situations (physical effort, specific time-related constraints, etc.) was conducted. This stage helped to highlight any critical situations.
- An action plan was then put in place to identify corrective and ongoing improvement plans. Part of this led to a member of the industrial site's management team being given training on "managing an MSD strategy" and two prevention officers received training to acquire the qualification of PRAP (prevention of risks related to physical activity) Monitor for both sites.
- Between 2012 and 2016, no new cases of occupational MSD were detected at the CLPR; several investments were made to acquire handling support tools; PRAP awareness-raising sessions at the CLPR began at the end of 2016, the aim being for all employees in logistics to have attended training in 2017.
- Following approval of this programme by CARSAT in July 2016, it is now a question of continuing to monitor this issue, in conjunction with the CHSCT, in order to take steps to anticipate risks.

On the Aubinière site, a similar approach has been instigated. By the end of 2018, all of these actions will have been taken. An assessment, using ergonomic rating grids, has already been applied to around sixty positions considered to be the most critical. An action plan has also been drawn up, involving the contribution of representatives from the methods department, which will mean positions and tooling can be altered effectively.

COMPLEMENTARY HEALTH INSURANCE & WELFARE INSURANCE

In France, a group agreement on Complementary Health Insurance & Welfare Insurance was signed in 2012 in order to implement coverage arrangements for all members of staff. Employees therefore enjoy the same Health insurance coverage regardless of their status with an average level of coverage of 94%.

As regards welfare insurance, the coverage available for workplace accidents or occupational diseases, as well as the education annuity paid to the family of a member of staff in the event of their death, has been the same for all employees since 2016.

This responsible approach is also applied in our subsidiaries in the various local policies.

THE ENVIRONMENT AT OUR PRODUCTION SITES

OUR CHALLENGE:
OUR ENVIRONMENTAL FOOTPRINT ON THE SITE

Only 1% of our global environmental footprint is due to our production sites. In spite of this very minimal contribution, we are working on reducing our environmental impacts, the most significant of which are:

- Energy and related GHG (greenhouse gases) emissions.
- Volatile Organic Compounds (VOC) emissions related to our painting activities.
- Waste generated on site.

On our sites, we would like to mobilise our teams in order to reduce our major impacts.

In line with our CSR strategy, we have deployed an **HSE policy** (Health, Safety and Environment) geared towards:

- Complying with the **regulatory provisions** and the expectations of our partners.
- **Involving each employee and stakeholder** in our initiatives aimed at respecting and improving working conditions and the environment.
- Increasing the **safety of our employees and customers** through effective prevention driven by training and the integration of ergonomics in job positions and products.
- Controlling and **reducing the environmental impact** (energy, air, water, waste, etc.) of our sites and our products through the ISO 14001 Environmental Management system and the REDUCE programme.

As it looks to keep improving and standardising its HSE performances, the Group has also set up a French **inter-site corporation** dedicated to HSE issues in order to promote discussion and sharing of best practices.

KEY FIGURES FOR 2016

Indicator	Unit	2014	2015	2016	Variation 2015-2016
Compliance of aqueous industrial discharge	%	94,6%	95,3%	99%	+4%
Volume of industrial waste	equivalent kg/truck	269	257	239	-7%
Water consumption	equivalent m3/truck	1,49	1,48	1,30	-12%
Paint consumption	equivalent kg/truck	7,8	8,1	7,1	-12%
Oil consumption	equivalent kg/truck	111	125	111	-11%
Energy consumption	equivalent kWh/truck	2087	2130	1931	-9%
VOC emissions	equivalent kg of VOC/truck	4,67	3,90	3,82	-2%
Equivalent trucks produced	No. of MLT735 eq. trucks produced	16 809	16 312	19 592	+20%
GHG emissions	equivalent kg of CO_2/eq. truck	443	417	NC	

OUR ENVIRONMENTAL MANAGEMENT SYSTEM

Our French production sites are listed as facilities covered by environmental protection regulations (ICPE). More specifically, the main site located in Ancenis had its operating permit renewed in 2015.

Environmental management is incorporated in the overall organisation of the MHA (Material Handling & Access) and S&S (Services and Solutions) divisions in an **HSE process** and inclusion in the **QSE Management reviews**.

We first achieved ISO 14001 certification in 2007 and are gradually deploying procedures at our sites – **70% of our sites are certified** or eligible to apply for ISO 14001 (in terms of 2016 sales volume) certification.

Indicator	2014	2015	2016
Proportion of ISO14001-certified sites or eligible for certification (in terms of % of sales generated)	57%	66%	70%

In 2017, Environmental certification will be based, at constant scope, on the new **2015 version of the ISO 14001 standard**, following this year's audit, based on the 2004 version.

PLANS TO MOVE TOWARDS QHSE CERTIFICATION

Determined to simplify and streamline our processes, in order to make them more robust and comply with changes in the Quality (ISO 9001) and Environmental (ISO 14001) standards in their 2015 version, the Group took steps to **bring the Quality and HSE management systems closer together**. The aim is, by 2020, to have shared QHSE certification at all French sites, including Health & Safety certification (ISO 45001).

In addition to saving time and increasing the efficiency of the processes, these changes will help simplify and improve the consistency of the system, deliver **better QHSE performance**, standardise operations across the sites and promote continuous improvement.

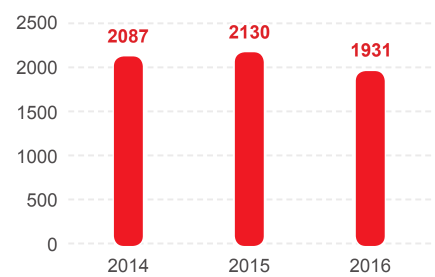
AWARENESS-RAISING AND TRAINING

The HSE approach is presented as part of the induction of every new joiner; **monthly HSE communications** (meetings, Intranet articles and posters) inform employees about actions completed and follow-up of environmental indicators. Part of the workforce is given training on using decontamination kits, working in explosive atmospheres (ATEX), handling refrigerant fluids and chemical risks, making up a total of 192 hours of training in 2016. We also encourage our **service providers and visitors** to join our environmental protection approach through prevention plans and general instructions regarding Environmental Safety.

ENERGY MANAGEMENT

Across the entire scope covered by environmental reporting, a 9% reduction in energy consumption (electricity and gas) was recorded in 2016:

Energy consumption (kWh/equivalent truck)



As part of its involvement in the European energy reduction project, STEEEP, the Group committed, over a three-year period (2015-2018), to **reducing energy consumption at the Aubinière site by 15%. The target level defined** for 2016 of 5% (i.e. equivalent to the annual electricity consumption of 550 homes) **was almost achieved** (4.8%).

To achieve these results, various steps were taken:

- Introduction of **Energy representatives** on the sites, specifically trained

4. CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN

on the topic.

- **Tracking of buildings** and analysis of consumption, as part of the Energy Management system.
- Set-up of an inter-building challenge, called **"Eco-Watt Challenge"**, held in the second half of 2016. An average **reduction of 16.3%** in the energy consumption of the buildings was achieved, with almost 18% saved by the winning building.
- Drafting and publication of an **Energy Charter** taking up the commitments of the Group Executive Committee and an **Energy Guide**. This guide sets out the essential elements in energy management for future investments, both in terms of equipment and buildings. All of the topics (heating, electricity, gas, office equipment and processes) are addressed and the various management options covered to inform decision-making as effectively as possible.
- The **GTCB calendar** (centralised technical building management) was changed in order to work on upstream energy management, for example by inserting alert and malfunction detection thresholds. Management of this system is expected to be initiated in early 2017.

Another of the improvements planned for 2017 at the main production site to pursue our commitments is the switch to energy-efficient lighting in the new logistics building, followed by **relamping** of other Aubinière production buildings during the year. At the other sites, there are plans to **change the roofing** at Beaupreau, and **new paint booths** are to be installed in Laillé. These two improvements are expected to deliver savings in terms of heating and electricity use.

LOCAL ENVIRONMENTAL IMPACTS

Volatile Organic Compound (VOC) emissions are due to the use of organic solvents in our paint application procedures. They contribute to acidification, eutrophication and high concentrations of ground-level ozone. In 2015, at the Ancenis site, the paint finishing booth, which alone accounts for 45% of the site's **solvent emissions**, was equipped with electrostatic spray guns, delivering an improved application rate on the parts. This led to a drop in paint consumption (24% in 2016) and, as a result, a drop in VOC emissions.

In 2016, a **machining area** of almost 200m^2 at the Aubinière production site was **dismantled** in order to make way for the installation of mode modern machines. Given the potential contamination of the concrete and ground due to lubrication of the machines, an extended procedure (core sampling, specific excavation and dedicated conversion/recycling) was implemented to check the condition of the ground as soon as the machines were stopped; this operation helped to limit local disruption and pollution, as opposed to simply covering the areas with a levelling concrete. A similar operation is underway in 2017, on a smaller scale, beneath another machine that is being replaced.

Lastly, 99% of our **aqueous industrial discharge** at the sites with wastewater treatment facilities is compliant.

Indicator	2014	2015	2016
Compliance of aqueous industrial discharge (as a %)	94,6%	95,3%	99,0%

Since 2012, the Manitou Group has taken steps to reduce the amount of industrial effluents at its site, enabling the level of wastewater to be reduced by more than half (-55.4%):

- During cleaning of the paint booth pits, water is evacuated and temporarily stored in an overflow tank and is then reintroduced; this helps to save 260m^3 of mains water per year, reducing the effluents processed in the water treatment facility by the same amount, as well as saving the treatment products in the pit.
- Some wastewater (effluents from the demineraliser and water lost during rinsing) was directed to the paint booth pits, thus avoiding the need for mains water makeup.

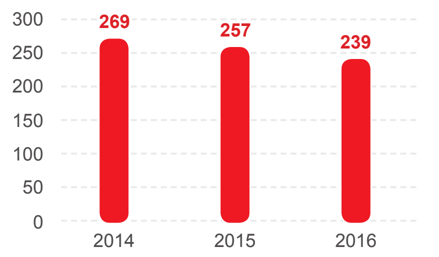
These results improved again in 2016, since discharges reduced by 18% compared with 2015.

WASTE MANAGEMENT

Our main action drivers in terms of waste management lie in the quality of at-source sorting, since the quantity of waste generated is linked to the level of our activity and the packaging received from our suppliers. Furthermore, non-hazardous waste is almost all re-used, recycled or recovered. Only the Beaupréau site sends this kind of waste to a local landfill site, after an overall environmental assessment concluded that it was better in this specific case to favour proximity over recovery.

In 2016, a 7% reduction in the volume of industrial waste generated was observed:

Volume of industrial waste (kg/equivalent truck)



It is also worth noting that the following best practices were put in place or pursued in 2016:

- A large stock of pallet height adjusters, previously stored on-site, is now recovered.
- Use of the wooden waste shredder/compacter, begun in 2015, has now been extended to other production sites, enabling the rotation frequencies to be reduced.
- New ways have been found to recover polystyrene in packaging and glassine used in stickers thanks to initiatives undertaken with our waste service providers.
- A partnership with the association "Les Bouchons d'Amour" resulted in the collection of almost 1.3 tonnes of plastic tops in 2016.
- A project launched last year, and winner of the Elevation Challenge in 2016, aims to put in place collective and participative waste sorting areas in one of the buildings at the Aubinière site, to raise awareness among employees about the need to reduce waste. The project is due to go ahead in 2017, initially in this pilot building and then gradually rolled out at the other buildings at the Aubinière site. The ultimate aim is to incorporate these spaces in the design of future buildings.

PROTECTION OF BIODIVERSITY

In 2016, **five piezometers** were installed at the Aubinière site. This project enabled us to meet the requirements of the operating permit awarded by the local Prefecture on 09/10/2015, regarding the groundwater monitoring programme. The locations of the piezometers were chosen following completion of a **hydrogeological study** that helped identify the direction of flow of the groundwater at the site.

The purpose of these piezometers is to **monitor the quality of the groundwater** at various places on the site. This ensures, therefore, that no pollution occurs that affects the aquatic environment of the site. These indicators are monitored twice per year.

4.4 AREA 3: SOLUTIONS IN CLOSE PARTNERSHIP WITH OUR SUPPLY CHAIN

The Manitou Group places particular importance on the **relationships it has with its stakeholders, throughout the regions in which it operates**. The CSR strategy is based on the **creation of shared value** with all of the key players, developed here via:

- **Suppliers**, through a responsible Purchasing policy.
- **Regional players**, with whom interactions ensure a strong local presence is established.
- **Civil society**, by taking part in socially-responsible actions and managing contracts as ethically as possible.

OUR RESPONSIBLE PURCHASING POLICY

OUR CHALLENGE:
STRENGTHENING THE SUPPLY CHAIN AND PARTNERSHIPS

The durability of the Group rests largely on the strength of our network of suppliers. Working over time with them, leading innovative projects together, building win-win partnerships and equitable relationships all help to strengthen our sector.

The Group must also constantly adapt to the volatility of its markets. The close relations between our suppliers and the production sites and their regional presence help to meet our responsiveness and flexibility requirements and also help to reduce our environmental footprint by limiting the use of transport.

Furthermore, monitoring the financial health of our customers and suppliers (dependency or default risks) is a major part of reducing risk for the Group.

Lastly, by involving all the partners of our value chain, our Elevation Plan now has greater relevance because it has become shared. We are therefore keen to share our aims with our suppliers and our customers, operating in 140 countries.

Since 2012, we have been operating a responsible purchasing policy that aims to create lasting, balanced and profitable relationships with our suppliers, for all the stakeholders. This approach involves **all Purchasing Department employees**.

The Group won several awards in recognition of its approach at the 10th edition of the Purchasing Trophies on 20th June 2016, held in Paris: the **Business Innovation award, the Supplier Relations award and the Purchasing Department and Team of the year award**.

Since this policy was initially implemented, emphasis has been placed on the following areas.

PROMOTE COMMITMENT TO A RESPONSIBLE PURCHASING CHARTER

Improving the performance of our supplier has a direct impact on the performance of our machines and the satisfaction of our customers, whilst also boosting the profitability of our suppliers. This is why the Group developed and **rolled out a Responsible Purchasing charter to all of its suppliers in 2014** (production scope). Its aim is to **share its requirements** as regards environmental, social, ethical and economic responsibilities and to detail the commitments expected in return from suppliers and sub-contractors.

In 2016, **more than 180 suppliers** signed this charter.

CSR RATING OF SUPPLIERS

The **performance assessment** criteria for suppliers of production items were improved in 2016, adding five CSR criteria: **Responsible offer, Health and Safety, Sourcing and Suppliers, Environment and HR Development and Socially-responsible policies**. These criteria, incorporated in the overall evaluation of suppliers (accounting for 10% of the overall rating) are used to measure the supplier's level of commitment to sustainable development. This CSR self-assessment was sent to 240 suppliers from the panel, equivalent to more than 80% of the total purchasing volume. The rate of response was over 60% at the end of 2016 and more than 80% of suppliers achieved a pass mark of at least 60 out of 100.

Furthermore, this process with the suppliers allowed us to collect many best practices on the various topics assessed, almost 40 of which were particularly relevant.

These best practices are likely not only to add bonus points to the overall rating, but also helped make up a panel of supplier CSR best practices that can be rolled out throughout the network. A ceremony during the **supplier convention** in 2017 will see the leading best practices rewarded. They will also be included in a **specific guide, raising awareness of the process among all suppliers**.

A reverse rating was also launched in order for suppliers to assess the CSR performance of the Group. This process helps to even out the relationship of trust that we value with our supply chain.

IMPLEMENTATION OF PRODUCTIVITY INITIATIVES WITH SUPPLIERS

By taking part in "productivity initiatives" with our suppliers, we are committed to the **ongoing improvement of the offer** of our stakeholders. During these initiatives, we make a Manitou employee available to our suppliers in for him/her to establish an assessment together with the supplier, conduct a field analysis and then put in place an action plan aimed at improving the processes or the products. A prior commitment is made to share any savings with the suppliers. This system helps to create **relationships based on trust and transparency with our stakeholders**.

PARTICIPATION IN AN ADEME PROJECT ON RESPONSIBLE PURCHASING

19 companies replied to a call for projects from ADEME (the French Environment and Energy Management Agency) aimed at measuring the impact of their purchasing policies. For the Manitou Group, this initiative was a way of **promoting the actions it has taken and the benefits observed** and also of taking advantage of the **network of players** involved in order to share best practices.

PARTNERSHIP WITH THE CATERING SERVICE PROVIDER FOR THE FRENCH SITES

One illustration of the actions taken on responsible purchasing can be seen in our interaction with our catering service provider, Elior, which provides services at the Group's company canteens in France. At the start of each year, we work together to define the events and activities dedicated to employees: fight against food waste, local sourcing, tasting of seasonal products, interventions from nutritionists, etc. This partnership helps to foster a **special relationship and introduce CSR themes** into the nutritional habits of employees.

REINFORCING REGIONAL PRESENCE AND PARTNER NETWORK

OUR CHALLENGE:
BUILD WITH OUR NETWORK OF STAKEHOLDERS

We are aware of how much of an important role networks and local presence play in the success of our activities. That is why we value and promote the discussions held with our dealerships, our end customers and regional players (local schools, communities and organisations, associations, etc.).

Through our diverse specialist functions, we operate in varied and extended locations, capable of coming into contact with a wide variety of parties and stakeholders. Actions must therefore contribute to a responsible economy for local employment and development, the joint construction of solutions and dialogue and the dissemination and sharing of our expertise.

PARTNERSHIPS WITH THE ACADEMIC WORLD

We are looking to boost research and training through many partnerships with schools and universities, selected for the quality of their training programmes (Audencia Group, ESSCA, ICAM, IUT – Université de Nantes, Centrale Nantes, etc.). These partnerships take different forms depending on the profile of each school or university: participation in **recruitment forums, educational initiatives**, internships and work/study placements, proposals for **consulting projects and research projects**, company visits, etc.

Other initiatives are undertaken in subsidiaries or in other production countries. For example, **Manitou Americas** entered into a partnership with **Madison High School** at the end of 2014, enabling students from the region to find out about the specialist functions of the Group and guide them in choosing a course. Manitou Americas has, for example, subsidised one of the training programmes that is available to students on welding methods.

A partnership with the **MLDS (programme aimed at combating failure and dropout in schools)** of Ancenis *lycée professionnel* (vocational high school) was created in 2016. The aim of the project was to support a group of teenagers that had dropped out of the mainstream school system and give them access to the world of work. Several actions were undertaken at the company's various sites: plant tours, employee/student "speed dating", placements, etc. After producing a video report on the programme, the students took part in a French Education system competition, *Je Filme le Métier qui me Plaît* ("I record the job that I like"). The reward obtained was showcased during the 2016 Elevation Days to all employees at the sites involved. The partnership is being pursued in 2017 with the support of a new intake of students on new activities.

One of the major areas of our involvement in education in 2016, which is due to take concrete shape in 2017, is a challenge created specifically for schools called the "**Handling the future competition**", based on the name of the Group strategy. This competition is intended to promote and encourage innovation in industry, whilst developing our local partnerships with the region's engineering schools and technical colleges. Aimed at engineering or design students, the principle is to come up with an innovative handling solution that improves the practical use of a machine and makes a contribution in terms of Sustainable Development. The results of this challenge will be published in spring 2017.

NETWORKS & LOCAL PLAYERS

The Manitou Group is a member of **Comité 21**, the leading French network of players in sustainable development. Since joining the Pays de la Loire branch in 2015, we have actively participated in developing the network in the region. We share our experiences, for example, and support discussions between the various players in the region.

The Group is also committed locally in the Pays de la Loire region through its interactions with local players: **COMPA** (Community of municipalities in the Pays d'Ancenis area), **ADIRA** (Association for the industrial and economic development of the Ancenis region) or even **Nantes Métropole or the Nantes Saint-Nazaire Chamber of Commerce and Industry**. The actions are aimed both at waste and energy management in terms of the circular economy in the region and the organisation of sporting events or festive occasions.

Lastly, the Manitou Group has been **official sponsor to FC Nantes** football club since 2016. This partnership reflects our regional attachment and gives us the chance to promote our commitment to "collective" values, team spirit and togetherness.

COMMITMENT TO THE COMMUNITY & ETHICAL PRACTICES

OUR CHALLENGE:
BE A COMMUNITY-MINDED COMPANY

We believe we have a responsibility to share our environmental, social and societal commitments with communities in order to encourage other players to create similar initiatives. Our actions must create a positive impact in the places where our initiatives have contributed. The integration of community challenges is not just about philanthropy and charitable actions, it is also a desire for all members of staff and the management team to become actively involved in community projects: commitment to communities, volunteering, corporate sponsorship, etc.

Being a community-minded company also means measuring the compliance that we must demonstrate in our ethical practices; this is as much a response to the new regulations (especially the "Sapin 2" law in France), as a desire from the Group Executive Committee and senior management.

COMMITMENT TO THE COMMUNITY

Some of the actions taken in 2016 aimed at **interacting with the regions in which we operate** have not only substantially improved the day-to-day lives of the local people but have also had a direct impact on the environment.

For example, Manitou Group members of staff in Brazil collected clothes from employees, then handed them over to various social organisations in the city of Vinhedo. In Australia, a project enabled the equivalent of a Manitou telehandler bucket of clothes for the St Vincent de Paul collection launched in 2015, intended for the homeless, whilst also encouraging dealerships in the Australian network to the same. By sponsoring United Way, Manitou Americas organised several events: themed lunches or days, product recycling operations, fund raising, etc. Manitou France supported the French Red Cross, a local association for organ donations (AVAV) and organised blood donor sessions on the company's premises.

Corporate sponsorship and support for associations are at present undertaken as and when opportune; a more structured strategy based on our local footprint and our commitment to the community should be put together in the second half of 2017.

ETHICAL PRACTICES

In 2010, the Group decided to adopt an **ethical charter promoting** values of integrity and responsibility, which applies both to the company as a legal entity and to all employees:

- **Compliance** with the core conventions and laws (Human Rights Charter, ILO convention and OECD guidelines).
- Principles of **integrity** with regard to all stakeholders. **Protection of the health and safety** of employees, customers and other stakeholders.
- **Observe the rights** of employees as regards mutual respect, equity, confidentiality, freedom of expression and skills development.
- **Respect for the environment** through a facility management and improvement policy.

In 2015, the signature of the **United Nations'** Global Compact replaced this ethical charter, creating a clearer commitment, more accessible to everyone.

In 2016, **several key actions were launched**:

- The audit and **corporate governance** area was strengthened, with the drafting of an internal audit manual and a subsidiary governance manual. The Chairman's report (see section 7.1) provides more details on this matter.
- **All of the Group Executive Committee members received training at the end of 2016** on topics related to business ethics and ethical practices.

Discussions about an **assessment** were instigated, from which an action plan will be developed. This training will be extended in 2017 to all of the staff most affected by these issues.

- A joint initiative between the Financial, HR, Legal and Internal Audit departments was launched; it is expected to produce a **map of fraud and corruption risks**, as well as code of practice in which the CSR department will subsequently become involved.

4.5 MEASURING AND ASSESSING PERFORMANCE

Thanks to its commitment to this issue, the Manitou Group has been regularly rewarded by external bodies for its CSR performance. In this section, we also provide information about the methodology used to calculate indicators and the correlation tables with the major standards.

PRIZES AND REWARDS

Group performance on CSR has been acknowledged and rewarded by the presence of the Group in the most significant CSR indices and through winning several awards. In particular:

The Manitou Group, responding for the fourth year running to the questionnaire of the **Gaïa-Index**, once again improved its rating, which has constantly increased since 2012. From 70/100 in 2012, our rating now stands at 91/100. We are ranked in joint 11th place in the overall standings and in joint 10th place in the standings for companies with "Revenue > €500 m".

Following the *Grand Prix Entreprises et Environnement* (Business and Environment Awards) awarded by the French Ministry of Ecology, Sustainable Development and Energy in 2014, the Manitou Group was one of the finalists for the **2016 European Business Awards for the Environment (EBAE)**, for its REDUCE programme and its overall CSR performance.

The Manitou Group won the **Governance First Prize** for Medium-Sized Businesses in September 2016, as part of the *Grands Prix du Gouvernement d'Entreprise* (Corporate Governance Awards) awarded by AGEFI. This prize was in part related to the Group's performance in the Gaïa Index.

The Group earned acclaim from the Purchasing sector, winning several awards at the 10th edition of the Purchasing Trophies on 20 June 2016, in Paris: **Business Innovation award, Supplier Relations award and Purchasing Department and Team of the year award**.

The Group responded to the **Carbon Disclosure Project (CDP) questionnaire**, a questionnaire related to the Group's performance on managing emissions of greenhouse gases, for the first time in 2016. The data submitted did not lead to a rating being given (category not scored).

METHODOLOGY GUIDE

Implementing an annual non-financial reporting system within the Manitou Group is intended to meet several goals:

- Manage the social, environmental and societal performance of the Group.
- Communicate transparently about the Group's major CSR challenges.
- Comply with the regulatory requirements of article 225 of the Grenelle 2 bill.

In this respect, Manitou has drawn inspiration from the GRI (Global Reporting Initiative) guidelines and complies with the principles of the UN Global Compact.

SCOPE

Since the first reporting exercise in 2012, the Group has acquired reporting procedures and put in place a suitable organisation for gathering the information for publishing. The scope of the information, initially restricted to France (Manitou BF), has been gradually extended. The 2016 changes in scope affected:

- **For the environmental indicators**: integration in 2015, then scope audited in 2016, of Manitou Italy (production site). This reporting scope therefore covers five of the Group's eight production sites (including the Group's largest manufacturing site) and the spare parts logistics centre. Moreover, Manitou Americas, where the remaining three production sites are based, trialled environmental reporting for its scope in 2016. Feedback is expected for 2017.
- **For the social indicators**: The scope of social reporting has covered all of the Manitou Group subsidiaries for social information related to headcount since 2015. Only the companies Manitou BF and CFM in France, Manitou Americas for the United States and Manitou Italia (covering 87% of headcount) included indicators related to compensation and safety training in the scope of their CSR reporting. The training, workplace accidents and absenteeism indicators only cover France and Italy (65% of headcount). The France scope is understood to exclude LMH (33 employees). The internal audit department conducts (HR) audits for all the subsidiaries.

In the perspective of overall management of the CSR strategy, indicators may be improved to report on progress with action plans more effectively and reflect more accurately the reality in the Group on the various topics.

PROCEDURE

The follow-up procedures are deployed through three main tools:

- A methodology guide, which helps clarify the reporting organisation (roles and tasks) and to standardise procedures and definitions.
- Two data collection tables for each topic (environmental and social), which automatically display any inconsistencies or input errors.
- An internal audit table, which is used to follow up the validation procedure.

In order to gradually integrate all of the subsidiaries, all the procedures and data collection tools have been translated into English.

Each of the indicators is followed up on a half-yearly or yearly basis and is reported on by the topic managers.

Consistency (indicator scope and definition) is checked by the topic leaders, to whom the data is sent. Lastly, an internal auditor, independent of the procedure, is appointed to approve or challenge indicators, by linking them with the action plans rolled out throughout the year or comparing them with source data.

In order to meet the requirements set out in article 225 of the Grenelle 2 bill and its implementation decree of 24 April 2012, the Manitou Group commissioned the FINEXFI firm of independent verifiers to certify the presence and fairness of the social, environmental and societal information published in its management report.

CLARIFICATIONS REGARDING METHODOLOGY – ENVIRONMENTAL INDICATORS

Non-financial reporting covers the period from 1st January to 31st December of each year. To facilitate reporting, data for two environmental indicators were gathered in 2016 over the period from 1st December to 30th November (industrial waste and energy consumption).

"Equivalent to MLT 735 truck": as the site produces different ranges and sizes of machines, a conversion factor has been assigned to each product in accordance with the weight of a reference truck: the MLT 735 from the agricultural range, the weight of which is 7.1 tonnes. This enables clearer reporting of the diversity of the products in the results of the indicators in question.

Oils: all of the oils purchased in the year and distributed in the products (hydraulic oil, axle and gearbox oil).

Compliance of aqueous industrial discharge: measurement where the result is below the discharge threshold value imposed by the regulations that apply to the production site. The sites concerned by discharges are those with wastewater treatment facilities (Ancenis and Laillé in France, and Castelfranco in Italy).

Waste:

- The European waste classification system is used to define the category to which waste belongs: hazardous waste, non-hazardous recyclable waste and non-recyclable waste.
- Material recycling or recovery: reprocessing of materials or substances contained in waste using a production process so that they create or are incorporated in new products, materials or substances. This includes the reprocessing of organic materials, but not does not include energy recovery.
- Re-use: direct use of the waste, without recourse to any process to transform it.
- Energy recovery: use of an energy source produced through the processing of waste.
- Landfill: waste is stored at a rubbish tip or buried underground.

Volatile Organic Compound (VOC) emissions:

- Emissions are assessed using mass balance calculations.
- The following solvent content coefficients were applied during assessment of the paint and solvent VOC emissions. Water-based paint: 0.09 / Solvent-based paint (polyurethane): 0.52 / Solvent-based paint (oil): 0.65 / Thinner, solvent: 1.

Water: overall consumption of mains water is calculated using water bills.

The consumption of industrial water refers to the industrial water used in production processes; it is calculated using water meter readings.

Paint: consumption is assessed based on the quantities used during the year (quantities purchased – variation in stock).

Energies: the energy consumption taken into consideration is the purchased consumption of electricity and gas.

GHG: greenhouse gas emissions from the production sites (Scopes 1 and 2) were calculated by most of the sites, but were not reported or audited this year.

CLARIFICATIONS REGARDING METHODOLOGY – SOCIAL INDICATORS

Non-financial reporting covers the period from the 1st January to 31st December of each year.

Employees: members of staff with a work contract for Manitou or one of its companies - excluding non-consolidated companies. This means people on permanent & fixed-term contracts (including VIEs) present on 31st December 2016, whether they are on full-time or part-time contracts. People on vocational training or apprenticeship contracts and people on sabbatical, maternity, parental or sick leave are included in headcount. Trainees are not counted as employees. Expatriates and seconded employees are counted in the host country figures.

Headcount:

France headcount: employees working for Manitou BF or CFM.

Italy headcount: employees working for Manitou Italia.

USA headcount: employees working for Manitou Americas.

Executives: any member of staff working in a post classed as an executive position by the Global Grading System (Towers Watson methodology).

USA executives: any member of staff with an IC (Incentive Compensation).

Worker: any member of staff that supports the production processes or supports other processes such as design or distribution.

Operator: any member of staff whose main activity is to contribute directly to the production processes.

Recruitment: any new work contract, be it for a fixed-term or permanent contract, established during the year under consideration. A recruitment is not counted when a fixed-term contract is renewed or prolonged on the same basis. Two recruitments are counted when a second fixed-term contract follows a grace period, when the basis of the contract changes or when someone on a fixed-term contract is recruited on a permanent contract. Internal transfers (mobility) are not considered as recruitment. Expatriation and secondment are not considered as recruitment.

Sick leave: the sick leave considered concerns leave approved by the country's reference organisation (CPAM in France). The theoretical number of hours worked corresponds to the theoretical number of hours, minus any statutory holidays stipulated in the collective bargaining agreement. Sick leave concerns: for 2014 and 2015, Manitou BF and Manitou Italy, for 2016, Manitou France (Manitou BF + CFM) and Manitou Italy.

Workplace accidents: commuting accidents are included in workplace accidents figures. The frequency rate is the number of accidents with sick leave * 1,000,000 / number of hours actually worked. The severity rate is the number of days of sick leave * 1,000 / number of hours actually worked. We count occupational diseases separately: when the same employee is affected by two separate occupational diseases, we count both diseases. In 2014, the indicator counted reported occupational diseases. Since 2015, the indicator counts accepted occupational diseases.

Training: the number of hours of training between 1st January and 31st December of each year is included for employees (fixed-term and permanent contracts), whether the training is delivered in-house or externally and regardless of whether or not the trainer is accredited. CPF (training entitlement) is included in the hours of training. Only training with sign-off or attendance sheets are included for this indicator. Actual hours of training are counted. Hours of training are counted in the year of the training plan to which they are linked. Health and safety training covers, for example, CACES (forklift operator) training, transport of hazardous materials, ATEX (explosive atmospheres), etc. It includes in-house training.

Training costs: training costs cover the salary costs of the people receiving training, teaching costs, any equipment/organisation costs, transport and logistics costs, the salary costs of in-house trainers and mandatory contributions (e.g. OPCAIM and Fongecif in France) deducted from training subsidies.

Disability: a person is considered to be disabled when he/she has been acknowledged as such by an accredited organisation or institution in accordance with the conditions stipulated in the current regulations.

4. CORPORATE SOCIAL RESPONSIBILITY: OUR ELEVATION PLAN

CORRELATION TABLE

	GRENELLE 2 BILL Article 225 and decree of 19/08/2016	GRI version 4	ISO 26000	Global Compact	In this document, refer to…	Indicator and/or comments
SOCIAL INFORMATION						
EMPLOYMENT						
Total headcount and employee breakdown (by sex, age, geographical area)	I.a) 1.1 to 1.4	G4-9 G4-10 LA1 LA12	6.4.4	-	page 40	- Headcount - Breakdown by sex, age, length of service, contract, status and geographical area
Movements of headcount (Recruitments and departures)	I.a) 2.1 and 2.2	EC6 LA1			page 40	- Number of recruitments and departures (resignations, redundancies and other reasons) - Voluntary departure rate - Number of employees on international mobility
Compensation	I.a) 3.1	G4-51* G4-52* G4-53* G4-54* EC1 EC5			page 40	- Total payroll
Change in compensation	I.a) 3.2	G4-55*			page 40	Change in payroll compared with change in headcount
WORK ORGANISATION						
Organisation of working hours	I.b) 1	-	6.4.4	-	page 42	
Absenteeism	I.b) 2				page 44	Rate of absenteeism due to accidents and illnesses (including occupational diseases)
LABOUR RELATIONS						
Organisation of social dialogue	I.c) 1	LA4	6.4.3 & 6.4.5	# 3	page 43	-
Outcome of collective agreements reached within the company	I.c) 2				page 43	
HEALTH AND SAFETY						
Health and safety at work conditions	I.d) 1	LA5	6.4.6	# 4 - 5	page 44	Number of hours of training devoted to safety
Agreements signed with trade unions or employees representative bodies as regards health and safety at work	I.d) 2	LA8			page 44	-
Frequency and severity of workplace accidents	I.d) 3	LA6 LA7			page 44	- Frequency rate and severity rate of accidents for Group employees - Frequency rate and severity rate of accidents for temporary workers
Occupational diseases	I.d) 4	LA6			page 44	Number of known occupational diseases in the year
TRAINING						
Training policies implemented	I.e) 1	LA10 LA11	6.4.7	-	page 41	Percentage of payroll dedicated to training
Number of hours of training	I.e) 2	LA9 HR2			page 41	- Number of employees that have attended at least one training course - Access to training rate - Average number of hours of training per employee
EQUAL TREATMENT						
Measures taken to promote gender equality	I.f) 1	LA3 LA12 LA13	6.3 & 6.3.7	# 6	page 42	Proportion of female headcount by status
Measures taken to promote the employment and integration of people with disabilities	I.f) 2.1	LA12			page 42	Number of people with disabilities and proportion in the headcount
Anti-discrimination policy	I.f) 3	LA12 HR3			page 42	
PROMOTION AND COMPLIANCE WITH THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION (ILO)						
Uphold freedom of association and the right to collective bargaining	I.g) 1	HR4	6.3.3-6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	# 3	page 42 - page 48	- Portion of headcount working in sensitive countries in terms of basic employment rights and corruption - Signature of the UN Global Compact
Elimination of discrimination in employment and occupation	I.g) 2	HR3	6.3.6 & 6.3.7 6.3.10 6.4.3	# 6	page 42	- Proportion of female headcount by status - Proportion of people with disabilities in headcount
Elimination of forced labour	I.g) 3	HR6	6.3.3-6.3.5 6.3.10 6.6.6	# 4	-	Signature of the UN Global Compact
Effective abolition of child labour	I.g) 4	HR5	6.3.3-6.3.5 6.3.7 6.3.10 6.4.5 6.6.6 6.8.4	# 5	page 48	

	GRENELLE 2 BILL Article 225 and decree of 19/08/2016	GRI version 4	ISO 26000	Global Compact	In this document, refer to…	Indicator and/or comments
ENVIRONMENTAL INFORMATION						
GENERAL ENVIRONMENTAL POLICY						
Company organisation in place to deal with environmental issues	II.a) 1.1	G4-1	6.5.1 & 6.5.2	# 7 - 8 - 9	page 45	-
Environmental assessment or certification procedures	II.a) 1.2	-			page 45	Proportion of revenue generated by ISO 14001-certified sites
Training and information provided to employees on environmental protection issues	II.a) 2	G4-43*			page 45	-
Resources devoted to the prevention of environmental risks and pollution	II.a) 3	EN30 EN31			page 46	-
Amount of provisions and guarantees allocated to environmental risks	II.a) 4	EC2			-	Since 2013, the company has taken out a specific "damage to the environment" insurance policy, the purpose of which is to insure against cases of environmental damage caused by its activities (France and Italy)
POLLUTION						
Prevention, reduction and repair measures: air	II.b) 1.1	EN20 EN21 EN24	6.5.3	# 7 - 8 - 9	page 46	VOC emissions per equivalent truck produced
Prevention, reduction and repair measures: water	II.b) 1.2	EN10 EN22 EN24 EN26	6.5.3	# 7 - 8 - 9	page 46	Compliance rate for aqueous industrial discharge
Prevention, reduction and repair measures: soil	II.b) 1.3	EN24	6.5.3	# 7 - 8 - 9	page 46	-
Integration of noise pollution and any other form of pollution specific to an activity	II.b) 2	EN24	-	-	page 39	-
THE CIRCULAR ECONOMY						
Waste prevention and management	II.c).i)	-	-	-	-	-
Prevention measures, recycling, re-use and other forms of waste recovery and elimination	II.c).i) 1	EN23 EN24 EN25 EN28	6.5.3	# 7 - 8 - 9	page 46	- Volume of industrial waste generated per equivalent truck produced - Recycling rate by type of industrial waste (hazardous and non-hazardous waste), and by end of life (re-use, material recovery, energy recovery, landfill)
Actions taken to fight against food waste	II.c).i) 2	-	-	-	page 47	-
Sustainable use of resources	II.c).ii)	-	-	-	-	-
Water consumption	II.c).ii) 1.1	EN8	6.5.4	# 7 - 8 - 9	page 46	- Water consumption per equivalent truck - Water consumption for industrial purposes per equivalent truck
Water supply as per local constraints	II.c).ii) 1.2	EN8 EN9				We are not subject to local constraints as regards water supply
Consumption of raw materials	II.c).ii) 2.1	EN1 EN2			page 45	- Paint consumption per equivalent truck - Oil consumption per equivalent truck
Measures taken to improve efficiency in the use of raw materials	II.c).ii) 2.2	-				
Energy consumption	II.c).ii) 3.1	EN3 EN4			page 45 - page 46	- Breakdown of direct consumption by primary energy sources (electricity, gas) - Energy consumption per equivalent truck
Measures taken to improve energy efficiency	II.c).ii) 3.2	EN6 EN7				
Measures taken to improve the use of renewable energies	II.c).ii) 3.3	-			-	Installation of solar panels in Benelux (360m2) and several panels at the Castelfranco site in Italy. No other use of renewable energies
Use of land	II.c).ii) 4	EN11			page 46	-
CLIMATE CHANGE						
The significant items of greenhouse gas emissions generated by the activity of the company, especially due to the use of goods and services that it produces	II.d) 1	EN15 EN16 EN17 EN18 EN19	6.5.5	# 7 - 8 - 9	page 37	Emissions of GHG by equivalent truck (not audited in 2016)
Adaptation to the consequences of climate change	II.d) 2	-			-	We have not identified any major risks related to the risks generated by climate change in our activity and within the scope considered. When identifying the priority CSR challenges, this topic was not flagged as a priority in relation to our activity.
PROTECTION OF BIODIVERSITY						
Measures taken to preserve or develop biodiversity	II.e) 1	EN11 EN12 EN13 EN14 EN26	6.5.6	# 7 - 8 - 9	page 46	-

	GRENELLE 2 BILL Article 225 and decree of 19/08/2016	GRI version 4	ISO 26000	Global Compact	In this document, refer to…	Indicator and/or comments
INFORMATION RELATED TO THE COMPANY'S COMMITMENTS TO PROMOTING SUSTAINABLE DEVELOPMENT						
TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITIES						
As regards regional employment and development	III.a) 1	EC6 EC7 EC8 EC9 SO1	6.8.5	-	page 48	-
On local residents and the local population	III.a) 2	EC6 EC7 EC8 EC9 HR8 SO1 SO2	6.8	-	page 48	-
RELATIONSHIPS MAINTAINED WITH PEOPLE OR ORGANISATIONS INTERESTED IN THE COMPANY'S ACTIVITIES						
Conditions of dialogue with these people or organisations	III.b) 1	G4 26 G4-37	5.3.3	-	page 48	-
Partnership and corporate sponsorship actions	III.b) 2	EC 7	6.8.9	-	page 48	-
SUB-CONTRACTING AND SUPPLIERS				-		-
Integration of the social and environmental challenges in the purchasing policy	III.c) 1	LA14 LA15 EN33 HR5 HR9 HR11	6.6.6	# 1 - 2	page 47	-
Importance of sub-contracting and the integration of social and environmental responsibility in relationships with suppliers and sub-contractors	III.c) 2	LA14 LA15 G4-12 EN32 EN33 HR5 HR9 HR11 S09 S010	6.6	# 1 - 2	page 47	-
ETHICAL PRACTICES						
Actions undertaken to prevent fraud and corruption	III.d) 1	G4-56 - G4-58 SO3 SO4 SO5	6.6.3	# 10	page 48	-
Measures taken to promote the health and safety of consumers	III.d) 2	EN27 PR1 PR2 PR3 PR4 PR6 PR7 PR8 PR9	6.7.4	# 10	page 39	-
Other actions undertaken to support human rights	III.e)	HR1 HR2 HR7 HR8 HR9 HR10 HR11 HR 12	6.3-6.8 6.6.6 & 6.6.7 6.8.3	# 1 - 2	-	Signature of the UN Global Compact

Key: * Indicators partially covering the topic
Source: Adapted from [Utopies, 2017](1), [Institut RSE, 2011] (2) [GRI-ISO, 2014] (3)

(1) Correlation table for the non-financial reporting reference system of Grenelle 2 (article 225 and decree of 19/08/2016) - GRI G4. Utopies. 4p. February 2017.

(2) Correlation table for Grenelle 2 art. 225 – GRI 3.1 – ISO 26000 – Global Compact, Institut RSE. 2p. August 2011.

(3) GRI G4 Guidelines and ISO 26000:2010 How to use the GRI G4 Guidelines and ISO 26000 in conjunction. GRI & ISO. 42p. January 2014.

4.6 INDEPENDENT VERIFIER'S REPORT ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

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

To the Shareholders,

At the request of the company MANITOU BF and in our capacity as an independent verifier accredited by COFRAC under the number 3-1081 (scope available on www.cofrac.fr), we present our report on the consolidated social, environmental and societal information established for the year ending on 31st December 2016 and presented in the management report, pursuant to the provisions of article L.225-102-1 of the French Commercial Code.

RESPONSIBILITY OF MANAGEMENT

It is the responsibility of the Board of Directors to establish a management report including the consolidated social, environmental and societal information referred to in article R. 225-105-1 of the French Commercial Code (hereafter referred to as the "Information"), in accordance with the criteria used (the "Criteria") by the Company and available on request from the head office of the Company MANITOU BF.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the code of ethics of our profession, as well as the provisions in article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work:

- To confirm the required Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Confirmation of presence);
- To express a limited assurance conclusion that the Information is fairly presented overall, in all material aspects, according to the criteria chosen (Limited assurance report).

CONFIRMATION OF PRESENCE

We conducted the work in accordance with the professional standards applicable in France:

- We compared the information presented in the management report with the list specified in article R. 225-105-1 of the French Commercial Code
- We verified that the Information covers the consolidated scope, namely the Company and its subsidiaries, as per the meaning of article L.233-1 of the French Commercial Code, and the entities which it controls, as per the meaning of article L.233-3 of the same Code.
- In the absence of certain consolidated information, we verified that explanations were provided in accordance with the provisions of the decree no. 2012-557 of 24 April 2012.

Based on this work, we confirm the presence in the management report of the required information.

LIMITED ASSURANCE ON CSR INFORMATION

NATURE AND SCOPE OF THE WORK

We conducted our work in accordance with the ISAE 3000 standard (International Standard on Assurance Engagements) and the professional standards applicable in France. We put in place due diligences leading to a moderate assurance as regards the fact that the Information does not include any significant anomalies that would cause us to doubt its fairness, in all material aspects, in accordance with the criteria. A higher level of assurance would have required more extensive verification and review.

Our work was conducted between 5th January 2017 and 22nd February 2017, over a period of around 14 days.

We conducted eleven interviews with the people responsible for preparing CSR information from the Departments in charge of the information gathering process and, where applicable, the people responsible for the internal audit and risk management procedures.

We conducted the following work:

- We assessed the suitability of the criteria for reporting in relation to their relevance, completeness, neutrality, clarity and reliability, taking into consideration, where applicable, industry best practices.
- We verified the implementation of a process in the Group for the collection, compilation, processing and control for completeness and consistency of the CSR Information. We noted the procedures for internal control and risk management related to the preparation of the Information. We conducted interviews with the people responsible for social and environmental reporting.
- We identified consolidated information to test and determine the nature and extent of our tests by taking into consideration their importance with respect to the social and environmental consequences related to the activities and characteristics of the Group and its societal commitments.
- As regards the consolidated quantitative information that we considered to be the most important:
  - At the level of the parent company MANITOU BF and the entities audited, we implemented analytical procedures and verified, on the basis of samples, the calculations and the compilation of the information;
  - At the level of the sites or subsidiaries that we selected (1) based on their contribution to the consolidated indicators and a risk analysis, we:
    - conducted interviews to verify the correct application of the procedures and to identify any omissions;
    - undertook detailed tests on the basis of samples, consisting in verifying the calculations made and reconciling them with supporting documentation.

The sample selected therefore represented on average more than 40% of the contributions to social data and approximately 40% of the contributions to environmental data.

As regards the consolidated quantitative information that we considered to be the most important, we conducted interviews and reviewed the related documentary sources to corroborate this information and assess its fairness.

For the other published consolidated information, we assessed its fairness and consistency by comparing it with our knowledge of the company and, where applicable, by conducting interviews or consulting documentary sources.

Finally, we assessed the relevance of the explanations provided, where applicable, in the partial or total absence of certain information.

COMMENTS ON THE INFORMATION

We verified that the CSR Information covers the consolidated scope, namely the company and its subsidiaries, as per the meaning of article L.233-1 of the French Commercial Code, and the entities which it controls, as per the meaning of article L.233-3 of the same Code within the limits specified in the methodology guide presented in section 4.5 of the management report, entitled "Measuring and assessing performance".

CONCLUSION

Based on our work, and within the limits of the scope described above, we did not identify any significant anomalies that would cause us to doubt that the Information, in all material aspects, has been fairly presented, in compliance with the Criteria.

Lyon, 14 April 2017

FINEXFI
Isabelle Lhoste
Partner

(1) Companies selected for the tests: Manitou BF (Aubinière, Beaupreau, Laillé, Candé, CLPR and OEM sites) and Manitou Italia

5. CORPORATE GOVERNANCE

5.1 GOVERNANCE IN 2016

At its meeting on 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 introduced four specific committees:

- the Strategic committee,
- the Compensation committee,
- the Audit committee,
- the Development committee.

– Since July 1, 2014, the group has been organized into three divisions, two product divisions and a service division:

- the "MHA – Material Handling & Access" division, specializing in handling equipment and aerial work platforms,
- the "CEP – Compact Equipment Products" division, specializing in compact equipment,
- the "S&S Services & Solutions" division, which combines all sales services businesses, after-sales services and end-user services.

– Changes in governance in 2016

Laurent Bonnaure was appointed Executive Vice President, Global Sales & Marketing from December 2016, replacing François F. Piffard, who retired.

5.1.1 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 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, who must be a natural person, from among its members.

MEMBERS 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

MEMBERS OF THE BOARD'S COMMITTEES

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

**This committee did not meet in 2016.*

MARCEL BRAUD

CHAIRMAN OF THE BOARD (NON-EXECUTIVE). RE-ELECTED AS A BOARD MEMBER AND CHAIRMAN OF THE BOARD OF DIRECTORS IN JUNE 2013 FOR A PERIOD OF FOUR 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 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 until June 2013
- Chairman of the Development committee until June 2013

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

JACQUELINE HIMSWORTH

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS BOARD MEMBER SINCE 1970. RE-ELECTED IN JUNE 2013 FOR A PERIOD OF FOUR YEARS AS A BOARD MEMBER, VICE-CHAIRMAN OF THE BOARD AND VICE-CHARMAN OF THE AUDIT COMMITTEE.

Nationality: French

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

Experience and management expertise:
- Graduate of the ESSCA, Chairman of Ets Marcel Braud from 1986 to 2000, Managing Director of SFERT from 1984 to 2009 and Chairman and Chief Executive of SFERT from 2009 to 2011

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

Mandates expired during the last five years (Manitou group):
- Chairman of the Audit committee until June 2013
- Member of the Development committee until June 2013

Other offices held at companies related to the group:
- Managing Director of the association Ancemat 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:
- Managing Director of Tamecna since 2011

Other mandates in companies independent of the group that expired during the last five years:
- Managing Director of Coliphin until 2011
- Managing Director of H2O Capital until 2011
- Managing Director of Trinity Capital until 2011
- Managing Director of Sonaphin until 2011
- Managing Director of the association Sekoleg until 2011

GORDON HIMSWORTH

MEMBER OF THE BOARD OF DIRECTORS BOARD MEMBER SINCE 1998. RE-ELECTED 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 Chief Executive Officer of Braud SA, Board member of Manitou Finance Ltd (UK), Graduate of the School of Management (UK)

Other offices currently held (Manitou group):
- Member of the Strategic committee since June 2013
- Board member of Manitou Finance Ltd since June 1999
- Alternate member of the Development committee

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

Other mandates in companies related to the group that expired during the last five years:
- Board Member of SFERT SA, France until 2011

Other offices held in companies independent of the group:
- Managing Director of Menskin SARL (France) since 8 October 2012
- Chairman and Chief Executive Officer of SAEMIA SA (France) from 1990 to 2014
- President and Chief Executive Officer of SCI "6 rue Poupard Davyl" Ancenis (France) since 2000

SÉBASTIEN BRAUD

MEMBER OF THE BOARD OF DIRECTORS BOARD MEMBER SINCE JUNE 2009. RE-ELECTED 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:
- President of Actiman Equipements et Services SASU (Manitou dealer), President of Actiman Location SAS since 2005 (now a leasing company specializing in handling materials and aerial work platforms), product manager at Manitou for 10 ans.

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 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:
- President of Actiman Location SAS since 2005
- President of Actiman Equipements et Services SASU since December 2015

CHRISTOPHER HIMSWORTH

MEMBER OF THE BOARD OF DIRECTORS BOARD MEMBER SINCE DECEMBER 2009. RE-ELECTED 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 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 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 of SCI Alliantmar until 2011
- Deputy director of ChooZenWork S.A since December 2015

MARCEL-CLAUDE BRAUD

MEMBER OF THE BOARD OF DIRECTORS SINCE JUNE 28, 2013

Nationality: French

Business address: 430, rue de l'Aubinière BP 10249 - 44158 Ancenis

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

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

Other 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 on the Board of SFERT SA (France) until 2011

Other mandates in companies independent of the group that expired during the last five years:
- Chief Executive Officer of Ligérien's Yachting (France) until 2015

DOMINIQUE BAMAS

MEMBER OF THE BOARD OF DIRECTORS SINCE APRIL 23, 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 in the certified accounting and auditing firm Secovec Blin et Associés. He then joined the Roullier group as CFO and Executive Committee member, Chief Executive Officer of a subsidiary in Spain, President of the agrochemicals division and then Chief Executive Officer of the Axereal group until 2011. Since then, he has managed a firm specializing 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 expired during the last five years (Manitou group):
- President and Chief Executive Officer of Manitou BF from March 6, 2013 to January 13, 2014
- 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 September 2011 to March 6, 2013
- Board member of Manitou Finance Ltd from March 2013 until January 2014
- President of Manitou Americas from March 2013 until January 2014
- Chairman of the Board of Manitou Americas

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:
- Chief Executive Officer of Axereal (cooperatives) and some of its subsidiary companies until 2011

PIERRE-HENRI RICAUD

INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS BOARD MEMBER SINCE DECEMBER 2009. RE-ELECTED 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, mergers & acquisitions, Founder, Managing Director and then President of the Pragma consulting firm (since 2007)

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

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

Other offices held in companies independent of the group:
- President of the financial and strategic consulting firm Pragma (SAS) since February 2013
- Member of the 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
- Managing Director of Fortum France SNC from June 2011 until December 2013
- Board member at 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. ELECTED 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:
- A graduate of the Institut d'Etudes Politiques de Paris, economics and finance section. Worked in audit and financial control roles at Arthur Andersen and the Lagardère group from 1987 until 2001. Chief Financial Officer at Astrium, later the Space Systems Division of Airbus, from 2001 to 2004. Responsible for acquisitions at the Airbus group and later Mergers & Acquisitions Director for the Sodexo group from 2005 to 2010. Qualified as a notary in 2013.

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

Mandates 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 or her capacity as an Managing Director or board member with a bankruptcy, receivership or liquidation,
- has been disqualified as a director,
- has been subject to criminal proceedings or official public sanctions through the 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, Sébastien Braud and Christopher Himsworth are related by family ties.

It should also be noted that Sébastien Braud is the President 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 senior management functions within Manitou and other structures for many years.

EXPIRATION DATE OF MANDATES

The mandates of the members of the Board of Directors will expire at the end of the Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2016.

SERVICE CONTRACTS AND GRANTING OF BENEFITS

None.

BOARD SECRETARY

Hervé Rochet, Corporate Secretary, serves as secretary to the Board.

5.1.3 INDEPENDENCE OF BOARD MEMBERS

The group adheres to the MiddleNext's Corporate Governance code. The independence of Board members is assessed according to this governance code. Three members of the Board meet the independence criteria.

These were assessed 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 judgment.

5.1.4 ASSESSMENT OF THE BOARD OF DIRECTORS AND SPECIALIZED COMMITTEES

The board performed an internal assessment of its operation in 2016. 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 were 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 truck rentals, serving as Chief Executive Officer until August 2013. During those 10 years, he supported the strong international development of the Fraikin Group, which established its approach to industrial vehicle design, 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 (United Kingdom)
- President of Manitou Italia (Italy)
- President of Cobra MS (France)
- Vice-Chairman of HMME (China)
- Board member of Manitou Brazil
- Manitou BF Representative President of LMH Solutions
- Manitou BF Representative President of Manitou Global Services (previously CFM)

Mandates expired during the last five years (Manitou group):
- None

Other offices held in companies independent of the group:
- Managing director of Gamagule SARL
- Manging director of GLGM Conseil EURL

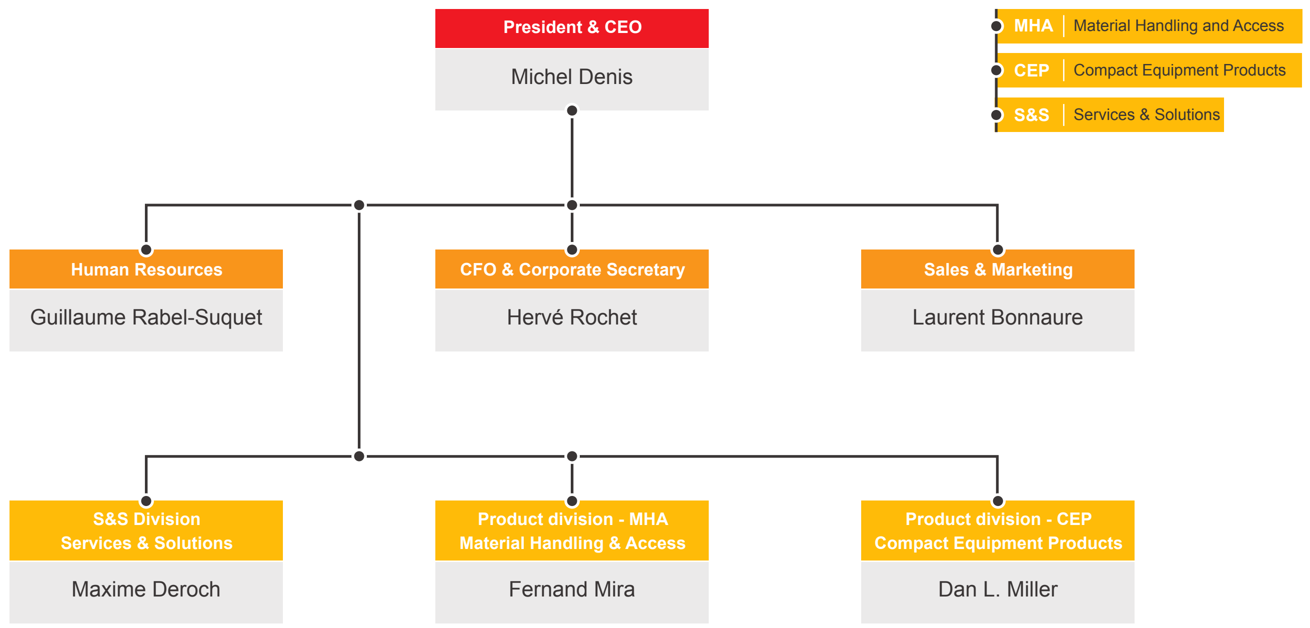
Other mandates in companies independent of the group that expired during the last five years:
- Member of the Executive Board - Chief Executive Officer of FTI until the end of April 2013
- Chairman of the Board of Directors and Board member of Fraikin France until the end of June 2013
- Board member 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 at 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 made up of seven members: the CEO, Executive Vice President Human Resources, Corporate Secretary, Executive Vice President Sales & Marketing, President of the Services & Solutions Division, President of the Material Handling & Access Division and President of the Compact Equipment Products Division. The Executive Committee generally meets once a week and several times a year for seminars.

GROUP ORGANIZATION CHART AT MARCH 1, 2017



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 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, clarity, measure and transparency.

TABLE 1: SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

in euros

Marcel Braud Chairman of the Board of Directors	2015	2016
Compensation due for the period (see details in table 2)	173 664	176 664
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)		
Total	**173 664**	**176 664**

in euros

Michel Denis, President and Chief Executive Officer	2015	2016
Compensation due for the period (see details in table 2)	695 422	794 630
Value of options granted during the period (see details in table 4)		
Value of performance shares granted during the period (see details in table 6)		
Total	**695 422**	**794 630**

TABLE 2: SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

in euros	2015		2016	
Marcel Braud Chairman of the Board of Directors	Amounts due	Amounts paid	Amounts due	Amounts paid
- Compensation as Chairman of the Board of Directors (in accordance with article L 225-47)	143 664	143 664	143 664	143 664
- Attendance fees	30 000	39 000	33 000	30 000
- Benefits in kind				
Total	**173 664**	**182 664**	**176 664**	**173 664**

in euros	2015		2016	
Michel Denis President & Chief Executive Officer	Amounts due	Amounts paid	Amounts due	Amounts paid
- Mandate (fixed compensation)	350 400	350 400	350 400	350 400
- Attendance fees				
- Variable compensation	326 480	286 001	413 472	352 760
- Benefits in kind	18 105	18 105	30 758	30 758
Social security and reintegration	437	437		
Total	**695 422**	**654 943**	**794 630**	**733 918**

5.3.2 COMPENSATION OF EXECUTIVES AND CORPORATE OFFICERS

TABLE 3: TABLE OF ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY BOARD MEMBERS

Board members		Paid in 2015 related to 2014	Paid in 2015 related to 2015	Paid in 2016 related to 2015	Paid in 2016 related to 2016
Marcel Braud	Attendance fees Manitou BF	21 000	18 000	12 000	18 000
	Compensation Manitou BF		143 664		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	15 600	23 400	15 600	23 400
	Other compensation				
Sébastien Braud	Attendance fees Manitou BF	18 600	23 400	15 600	23 400
	Other compensation				
Dominique Bamas	Attendance fees Manitou BF	9 000	28 800	19 200	28 800
	Other compensation				
Christopher Himsworth	Attendance fees Manitou BF	15 600	23 400	15 600	23 400
	Other compensation				
Pierre-Henri Ricaud	Attendance fees Manitou BF	21 600	32 400	18 600	32 400
	Other compensation				
Marcel-Claude Braud	Attendance fees Manitou BF	13 800	23 400	15 600	23 400
	Other compensation				
Agnès Michel-Ségalen	Attendance fees Manitou BF	21 600	32 400	18 600	32 400
	Other compensation				
Total		**136 800**	**453 864**	**130 800**	**453 864**
Total Manitou BF only		*136 800*	*453 864*	*130 800*	*453 864*
Of which, attendance fees		*136 800*	*310 200*	*130 800*	*310 200*
Of which, compensation			*143 664*		*143 664*

Since 2010, attendance fees have been paid quarterly rather than annually.

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 involving 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 and any group company	No. and date of plan	Type of options	Valuation of options using the method applied for the consolidated financial statements (IFRS2)	Number of options granted	Exercise price	Financial period
None						

TABLE 5: SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Options exercised by executive corporate officers	No. and date of plan	Number of options exercised during the period	Exercise price
None			

TABLE 6: PERFORMANCE SHARES GRANTED TO EACH CORPORATE OFFICER

Performance shares granted to each executive corporate officer by the issuer and any group company	No. and date of plan	Number of shares granted during the year	Valuation of shares using the method applied for the consolidated financial statements	Purchase date	Availability date
None					

TABLE 7: PERFORMANCE SHARES WHICH BECAME AVAILABLE FOR EACH CORPORATE OFFICER

Performance shares which became available for each executive corporate officer	No. and date of plan	Number of shares which became available during the period	Purchase conditions
None			

OTHER REGULATED INFORMATION

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or potentially due as a result of termination or change of functions		Compensation related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Marcel Braud Chairman of the Board of Directors Date term started: June 28, 2013 Date term expires: 2017	X			X		X		X
Michel Denis President & Chief Executive Officer Date term started: January 13, 2014 Date term expires: four years, i.e. up to the Shareholders' Meeting for the approval of the financial statements to December 31, 2017		X		X	X		X	

COMPENSATION OF MICHEL DENIS

SPECIFIC COMPONENTS

– The Board of Directors meeting held on 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, the nature, weight and objectives of which have been quantified by the Board of Directors.

– The Board of Directors meeting held on 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 held on 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, on condition that the bonus criteria achieved during the prior period are greater than 35%.

– The President & Chief Executive Officer benefits from insurance that provides a guarantee in the event of the involuntary loss of employment for a period of 24 months.

– The President & Chief Executive Officer benefits from the same pension and retirement plan as the company's managers.

NON-COMPETITION CLAUSE APPLICABLE TO MICHEL DENIS

The Board of Directors meeting held on January 8, 2014 made the appointment of Michel Denis as President & Chief Executive Officer subject to a non-competition clause for the 12-month period following the end of his term.

5.4 AUDITORS

5.4.1 STATUTORY AUDITORS

Deloitte & Associés, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Emmanuel Gadret, 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 Jean Michel Picaud, 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 for Deloitte & Associés, registered member of the Regional Association of Statutory 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 for RSM Ouest, registered member of the Regional Association of Statutory Auditors of Rennes,

Appointed on June 28, 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended December 31, 2018

5.4.3 FEES PAID TO THE STATUTORY AUDITORS AND THEIR NETWORK

The fees recorded in 2016 par 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 22 of the notes to the 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's report on the functioning of the Board and internal control.

WORKS COUNCIL INFORMATION

The information contained in this report and the corporate and consolidated financial statements of Manitou BF have been submitted to the Works Council for review, as required by law.

6. MANITOU AND ITS SHAREHOLDERS

6.1 GENERAL INFORMATION

NAME

Manitou BF

REGISTERED OFFICE

430, rue de l'Aubinière

BP 10 249

44158 Ancenis Cedex – France

Telephone + 33 (0)2 40 09 10 11

LEGAL FORM

A French limited liability corporation with a Board of Directors, governed by the provisions of the French Commercial code.

LAWS GOVERNING ITS ACTIVITIES

The Group designs, assembles and distributes high technology products that meet the standards set by the 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 was 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 consists of:

All industrial and commercial transactions relating to:

– The operation of all industrial and commercial establishments aimed at the representation, concession, manufacture, purchase, sale, rental, importing and exporting 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 and operation of any establishments or factories;
– The purchase, acquisition, operation or disposal of any processes or patents related to these activities;
– The direct or indirect participation of the company in any commercial, industrial or financing transactions that may be related to the corporate purpose, including the creation of new companies, investments in partnerships, mergers, alliances, joint ventures or other transactions;
– And generally, any financial, commercial, industrial, civil, securities or real estate transactions that may be directly or indirectly associated with any of the purposes specified, or any other similar or related purposes.

COMPANY REGISTRATION DETAILS

Business register number and APE code:

857 802 508 RCS Nantes – APE code 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 earnings are composed of the net gains for the financial period recognized in the annual financial statements, after deduction of general expenses and other personnel expenses, any asset amortization or depreciation charges and any provisions for commercial or industrial risks.

Distributable earnings are composed of the net profit for the year less prior year losses and the amounts retained in reserves in accordance with the law or the by-laws, plus retained earnings.

The Shareholders' Meeting may decide to distribute amounts deducted from the reserves at its disposal, in which case the decision will expressly indicate the reserve items from which the payments are to be deducted.

Except in the case of a capital reduction, no distribution can be made to shareholders if the net assets are, or would become as a result of such a distribution, less than the amount of the paid-in-capital plus reserves whose distribution is prohibited by the law or the by-laws.

VOTING RIGHTS

Excerpt from article 9 of the by-laws, "rights and obligations associated with shares":

"Each share grants the right to one vote at Shareholders' Meetings. In accordance with the option provided by subparagraph 3 of article L. 225-123 of the French Commercial Code, fully paid-up shares that have been registered in a shareholder's name for at least two years shall not benefit from double voting rights".

6.2 INFORMATION ABOUT THE SHARE CAPITAL

6.2.1 SHARE CAPITAL

At December 31, 2016, the share capital amounted to 39,557,449 euros, breaking down into 39,557,449 shares with a par value of 1 euro per share, all of which were fully paid-up and of the same category.

6.2.2 CHANGES IN THE SHARE CAPITAL

Following an exercise of stock options in 2016, the share capital increased by 5,500 euros and therefore rose from 39,551,949 to 39,557,449 euros.

SUMMARY OF THE DELEGATIONS OF AUTHORITY TO CHANGE THE SHARE CAPITAL GRANTED BY THE SHAREHOLDERS' MEETING

Date	Type	Object	Validity period	Use made of this delegation of authority during the year
09.06.2015	Delegation of authority	Authorization for the Board of Directors to carry out transactions in company shares, i.e. to purchase shares or request purchases of company shares within a limit of 10% of the company's share capital or, as a reference, at December 31, 2014, 3,954,894 shares and an authorized global amount not exceeding 100 million euros.	**18 months**	**Not used**
09.06.2015	Delegation of authority	Authorization for the Board of Directors to reduce the company's share capital by canceling treasury shares within a 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**	**Not used**
09.06.2015	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by issuing – with pre-emptive subscription rights – shares and/or securities convertible into company shares, and/or securities entitling the holder to a distribution of debt securities within a global nominal ceiling of 8 million euros.	**26 months**	**Not used**
09.06.2015	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by issuing shares and/or securities convertible into company shares, and/or securities entitling the holder to a distribution of debt securities, by way of a public offering with the cancellation of shareholders' pre-emptive subscription rights and within a global nominal ceiling of 8 million euros.	**26 months**	**Not used**
09.06.2015	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by issuing shares and/or securities convertible into company shares, and/or securities entitling the holder to a distribution of debt securities, by way of an offer as referred to in section II of article L.411-2 of the French Monetary and Financial Code, with the cancellation of shareholders' pre-emptive subscription rights, within a limit of 20% of the share capital per year and a global nominal ceiling of 8 million euros.	**26 months**	**Not used**
09.06.2015	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by way of the capitalization of premiums, reserves, earnings or other sums within a global nominal ceiling of 8 million euros.	**26 months**	**Not used**
09.06.2015	Delegation of authority	To potentially issue shares or securities convertible into company shares without pre-emptive subscription rights in consideration of in-kind tenders of shares or securities convertible into shares, within a limit of 10% of the share capital or, as a reference, at December 31, 2014, a ceiling of 3,954,894 shares, within a global nominal ceiling of 8 million euros.	**26 months**	**Not used**
09.06.2015	Delegation of authority	Authorization for the Board of Directors to grant bonus shares from the existing or future shares to salaried employees and group corporate officers, or some of them, within a limit of 2% of the total share capital on the date of the Board of Directors' decision.	**38 months**	**Not used**

Date	Type	Object	Validity period	Use made of this delegation of authority during the year
09.06.2016	Delegation of authority	Authorization for the Board of Directors to carry out transactions in company shares, i.e. to purchase shares or request purchases of company shares within a limit of 10% of the company's share capital or, as a reference, at December 31, 2015, 3,955,194 shares and an authorized global amount not exceeding 100 million euros.	18 months	Used
09.06.2016	Delegation of authority	Authorization for the Board of Directors to reduce the company's share capital by canceling treasury shares within a limit of 10% of the company's share capital or, as a reference, a limit of 3,955,194 shares, at December 31, 2015.	18 months	Not used
09.06.2016	Delegation of authority	Authorization for the Board of directors to decide to increase the share capital by issuing – with pre-emptive subscription rights – shares and/or securities convertible into company shares, and/or securities entitling the holder to a distribution of debt securities within a global nominal ceiling of 8 million euros.	26 months	Not used
09.06.2016	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by issuing shares and/or securities convertible into company shares, and/or securities entitling the holder to a distribution of debt securities, by way of a public offering with the cancellation of shareholders' pre-emptive subscription rights and within a global nominal ceiling of 8 million euros.	26 months	Not used
09.06.2016	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by issuing shares and/or securities convertible into company shares, and/or securities entitling the holder to a distribution of debt securities, by way of an offer as referred to in section II of article L.411-2 of the French Monetary and Financial Code, with the cancellation of shareholders' pre-emptive subscription rights, within a limit of 20% of the share capital per year and a global nominal ceiling of 8 million euros.	26 months	Not used
09.06.2016	Delegation of authority	Authorization for the Board of Directors to decide to increase the share capital by way of the capitalization of premiums, reserves, earnings or other sums within a global nominal ceiling of 8 million euros.	26 months	Not used
09.06.2016	Delegation of authority	To potentially issue shares or securities convertible into company shares without pre-emptive subscription rights in consideration of in-kind tenders of shares or securities convertible into shares, within a limit of 10% of the share capital or, as a reference, at December 31, 2015, a ceiling of 3,955,194 shares, within a global nominal ceiling of 8 million euros.	26 months	Not used
09.06.2016	Delegation of authority	Authorization for the Board of Directors to grant bonus shares from the existing or future shares to salaried employees and group corporate officers, or some of them, within a limit of 2% of the total share capital on the date of the Board of Directors' decision.	38 months	Not used
09.06.2016	Delegation of authority	Authorization for the Board of Directors to carry out a capital increase reserved for employees based on article L-225-129-6 of the French Commercial Code, by issuing ordinary shares or securities convertible into company shares, within a limit of 0.4% of the share capital on the date of the Board of Directors' decision to carry out this increase, and independently of any other ceilings on delegations of authority to increase the share capital.	26 months	Not used

DISTRIBUTION OF THE SHARE CAPITAL AND VOTING RIGHTS AT DECEMBER 31, 2016

	% of capital			% of voting rights		
	2014	2015	2016	2014	2015	2016
Braud and Himsworth Families	65.4%	65.4%	64.8%	65.9%	65.9%	67.2%
Braud family branch (1)	32.2%	32.2%	32.2%	32.4%	32.4%	33.4%
HB Braud	22.1%	22.1%	22.1%	22.3%	22.3%	22.9%
Other	10.1%	10.1%	10.1%	10.1%	10.1%	10.5%
Himsworth family branch (2)	33.3%	33.3%	32.6%	33.5%	33.5%	33.9%
Ancemat (3)	6.2%	6.2%	6.5%	6.3%	6.3%	6.8%
Wecanrent (3)	5.2%	5.2%	5.2%	5.2%	5.2%	5.4%
Coliphin Invest (3)	5.3%	5.3%	5.4%	5.4%	5.4%	5.6%
Trinity Group (3)	5.2%	5.2%	5.2%	5.2%	5.2%	5.4%
Sonafina (3)	5.2%	5.2%	5.2%	5.2%	5.2%	5.4%
Other	6.1%	6.1%	5.2%	6.2%	6.2%	5.4%
Yanmar	6.3%	6.3%	6.3%	6.3%	6.3%	6.5%
Toyota	2.8%	2.8%		2.9%	2.9%	
Treasury shares	0.8%	0.8%	3.6%			
Employee share ownership	0.8%	0.8%	0.7%	0.8%	0.8%	0.7%
Other	23.9%	23.9%	24.7%	24.1%	24.1%	25.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Floating	34.6%	34.6%	35.2%	34.8%	34.8%	36.5%

(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.

6.2.3 HOLDINGS AND CONTROL

Manitou is controlled by the Braud and Himsworth families who together hold 65.4% of the share capital. Manitou's Board of Directors includes three independent directors, as defined by the MiddleNext Corporate Governance Code, out of a total of nine directors. The position of President & Chief Executive Officer is separate from the position of Chairman of the Board of Directors and has been held by Michel Denis, who is independent of the Braud and Himsworth families, since January 13, 2014.

6.2.4 INFORMATION RELATING TO SHAREHOLDER AGREEMENTS AND COLLECTIVE COMMITMENTS TO RETAIN MANITOU SHARES

6.2.4.1 SHAREHOLDER AGREEMENT

The family shareholders signed a shareholder agreement on June 9, 2011, which is valid for a period of 6 years and 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 share capital (i.e. a total of 40% of the share capital for the combined family investment);
- A right of first refusal in favor of members of the agreement for sales of shares that would reduce the investment of either family branch to less than 20% of Manitou's share capital, or reduce the entire investment of the two family branches to less than 40% of the company's share capital, on the understanding that members of the seller's family branch have priority in the purchase of the shares sold;
- Manitou shall continue to be governed by nine directors; three directors appointed at the discretion of each of the family branches (making a total of six directors) and three independent directors unanimously proposed by Jacqueline Himsworth and Marcel Braud and appointed by the Shareholders' Meeting;
- Marcel Braud shall continue to be Manitou's Non-Executive Chairman throughout the duration of the agreement;
- Any transactions with a dilutive effect on the share capital and/or voting rights will be subject to the prior approval of Manitou's Board of Directors by a three-quarters' majority.

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 in accordance with article 787 B of the French General Tax Code	12,719,721 shares representing 32.2% of the share capital and voting rights	Minimum term of two years from the registration of the commitment, which is renewed for two-year periods by tacit agreement	Braud family branch*
28.11.2011	Collective commitments to retain shares in accordance with article 885 I Bis of the French General Tax Code	A total of 12,719,721 shares representing 32.2% of the share capital and voting rights	Minimum term of two years from the registration of the commitments, which are renewed for 12-month periods by tacit agreement	Braud family branch

** 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.*

6.2.5 THE EXISTENCE OF AGREEMENTS WHOSE IMPLEMENTATION COULD RESULT IN A CHANGE OF CONTROL

None

6.2.6 OWNERSHIP THRESHOLDS

Under article L. 233-7 of the French Commercial Code, any individual or entity, acting alone or with others, who has just acquired a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30% 33.33%, 50%, 66.66%, 90% or 95% of the company's share capital and voting rights, must inform the company and the AMF (French Market Authority) by 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 publicly disclosed by the latter. This information is also transmitted within the same timeframe and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If they are not declared according to the 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 within two years of the date of the amending declaration.

Article 9 of Manitou's by-laws further provides that any individual or entity that, directly or indirectly, alone or with others, goes above or below the threshold of 2.5% of the company's share capital or voting rights (or any multiple of this threshold) must notify the company by registered letter with confirmation of receipt, within fifteen days of the threshold being crossed, stating their identity and the persons acting with them. This requirement also applies to holders of shares in accordance with the seventh paragraph of article L. 228-1 of the French Commercial Code, for all the shares for which they are registered in an account.

Any failure to make such declarations shall result in the application of the penalties laid down in article L. 233-14 of the French Commercial Code, providing that a request to that effect is made by one or more shareholders who own at least 3% of the share capital or voting rights and is recorded in the minutes of the Shareholders' Meeting.

6.2.7 DIVIDEND DISTRIBUTION POLICY

The Board will propose a dividend payment of €0.43 per share to the Shareholders' Meeting called to approve the 2016 financial statements.

6.2.8 HISTORICAL DIVIDEND INFORMATION

In accordance with the provisions of article 243 bis of the French General Tax Code, we remind you that the dividends distributed for the three previous periods were as follows:

Period	Number of shares	Net dividend per share
2013	39 548 949	€0
2014	39 548 949	€0.35
2015	39 551 949	€0.36

6.2.9 TRANSACTIONS WITH RELATED PARTIES

Transactions carried out between the group and its associates are presented in note 31.1 to the consolidated financial statements.

Transactions with individuals and compensation and other benefits granted to executives are presented in notes 31.2 and 31.3 to the consolidated financial statements.

Transactions with related parties are also described in the Statutory Auditors' report on regulated agreements and commitments (note 8.4.2 of the annual financial report).

6.2.10 LEGAL PROCEEDINGS AND ARBITRATION

The company is not aware of any government, legal, arbitration or other proceedings pending or threatened that have had a material impact on the financial position or profitability of the company or group within the last 12 months.

The group has launched legal and arbitration proceedings against third parties that could have a favorable material impact on its financial position or profitability, assuming that the group's claims are granted.

6.2.11 SIGNIFICANT CHANGES IN THE COMPANY'S FINANCIAL OR MARKET POSITION

To the best of the company's knowledge, there are no significant changes that will have or have had a material impact on the company's financial position or income or those of its group.

6.3 PUBLICLY AVAILABLE DOCUMENTS

Legal documents relating to the company may be consulted at its registered office, at 430 rue de l'Aubinière, 44150 Ancenis, and on the Manitou website at www.manitou-group.com, including:

- Manitou's corporate charter and by-laws;
- All reports, correspondence and other documents, and historical financial information;
- Manitou's historical financial information and that 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 24, 1984. The Manitou share is listed in compartment B of the Euronext Paris stock exchange.

SHARE CODE AND TICKERS

ISIN code: FR0000038606
MNO: MTU
REUTERS code: MANP.PA
BLOOMBERG code: MTU.FP

Manitou shares are eligible for long-only OSRDs (Deferred Settlement Service Stock Exchange Orders).

Manitou shares are eligible for PEA-PME French share-based savings schemes for the financing of SMEs.

Indices
CAC ALL SHARE
CAC ALL-TRADABLE
CAC IND. ENGIN.
CAC INDUSTRIALS
CAC MID & SMALL
CAC SMALL
ENTERNEXT PEA-PME 150
EURONEXT® FAMILY BUSINESS

SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Period	Volume	Highest €	Lowest €	Month-end	Market capitalization (€m)
January 2015	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	140 297	14.8	13.4	14.1	558
Total/Highest/Lowest	**3 473 127**	**19,5**	**12,1**		

Period	Volume	Highest €	Lowest €	Month-end	Market capitalization (€m)
January 2016	888 558	16.5	13.2	16.5	652
February	280 209	16.6	13.0	15.4	607
March	174 031	16.1	14.5	15.1	598
April	179 522	15.2	14.1	15.2	600
May	100 298	15.8	14.9	15.8	623
June	268 866	16.0	13.3	13.8	546
July	1 504 973	15.2	13.6	14.6	575
August	156 774	16.2	14.2	16.0	632
September	190 950	16.0	14.8	15.5	613
October	315 025	16.5	14.9	16.5	651
November	352 257	17.0	15.2	16.5	653
December	672 939	19.2	16.3	18.7	740
Total/Highest/Lowest	**5 084 402**	**19,2**	**13,0**		

Source: Euronext

7. ADDITIONAL INFORMATION

7.1 THE CHAIRMAN'S REPORT IN ACCORDANCE WITH ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

To the Shareholders,

In accordance with article 117 of the French Financial Security Act of August 1, 2003 and with article L.225-37 of the French Commercial Code, I hereby present to you, in my capacity as Chairman of the Board of Directors, my report on our corporate governance, internal control and risk management procedures.

This report was prepared with the assistance of the Audit and Internal Control Manager, reviewed by the Audit committee and approved by the Board of Directors on March 1, 2017.

In accordance with article R.225-105 of the French Commercial Code, referred to as the "Grenelle 2" law, I also outline to you the steps taken by the company to take the social and environmental consequences of its businesses into account and fulfill its commitments to sustainable development.

We continue to consolidate "Elevation", the Corporate Social Responsibility (CSR) plan we have been developing since 2012, and to roll it out to all group employees and all subsidiaries. Practical, collaborative CSR actions are based on three development priorities aligned with the group's strategic road map: creating sustainable solutions, our commitment as an employer and our partnership with our value chain, suppliers and local stakeholders. Our commitment to the United Nations Global Compact allows us to pursue our commitment to continuous improvement and extend the reach of our messages. In addition, the group continues to be recognized for its commitment, notably through the Gaia Index, the Prix d'Or for governance and as a finalist in the EBAE (European Business Awards for the Environment).

Several key events took place in 2016: as well as rolling out our responsible purchasing charter, our commitment to our suppliers was evidenced in a tangible form by the introduction of a CSR score, accounting for 10% of our overall supplier score. We also took numerous actions to encourage diversity within the business, from gender equality to integrating people with a disability into the workplace through signing an agreement with the Agefiph. 2016 also provided an opportunity to seek the views of our employees: 87% of our staff responded to an internal survey, highlighting the strong commitment shown by all our teams. Finally, the latest Elevation Days event gave us a chance to keep employees informed and reward projects sponsored by employees, suppliers and local stakeholders. Recognition of this kind confirms the relevance of our CSR policy and rewards the efforts of the employees who support it. Our CSR policy represents a clear commitment to the future and drives performance, and we aim to involve all stakeholders in our approach.

7.1.1 CORPORATE GOVERNANCE

The company has been using the MiddleNext corporate governance code for mid-caps as a reference since August 2010. The code is available on the website www.middlenext.com.

The company's corporate governance complies with all the recommendations of the MiddleNext code. In addition, the Board of Directors has taken note of the items listed under the heading "points of vigilance", which are essential provisions of the code.

The governance structure is organized on the basis of a separation of functions between a non-executive Chair of the Board of Directors and the Chief Executive Officer, who is 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 company's executive power lies in the hands of the Chief Executive Officer, whose role is defined in the company's by-laws and whose powers are described in the Board's internal regulations.

The Board's internal regulations thus 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 forthcoming financial year.

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 may not combine an employment contract and a corporate office; all fixed and variable components of the CEO's compensation including departure indemnities, pension plans and the allocation of stock options are described in chapter 5 of the management report on corporate governance. All of these components have been approved by the Board of Directors as proposed by the Compensation committee, and are part of a good corporate governance policy in accordance with recommendations R13 to R19 of the MiddleNext code.

The Board of Directors appointed Michel Denis as Chief Executive Officer for a four-year term, ending at the Shareholders' Meeting to be held to approve the financial statements for the 2017 financial year.

7.1.1.2 SUPERVISORY POWER: THE BOARD OF DIRECTORS

▪ COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors, which was appointed by the Shareholders' Meeting held on June 28, 2013, has nine members. The term of office, as defined in the by-laws, is four years.

The composition of the Board of Directors is as follows:

- Marcel Braud, Chairman,
- Jacqueline Himsworth, Vice-Chair,
- Gordon Himsworth,
- Marcel-Claude Braud,
- Sébastien Braud,
- Christopher Himsworth,
- Dominique Bamas, independent member*,
- Agnès Michel-Ségalen, independent member,
- Pierre-Henri Ricaud, independent member.

The Board of Directors includes two women among its members. The Board's composition complies with Act no.2011-103 of January 27, 2011, known as the "Copé Zimmerman" Act, on women's representation on Boards of Directors.

In addition, three members of the Board of Directors are independent, as defined by the third recommendation of the MiddleNext code. Independence is characterized by a lack of significant financial contractual or family relationships which might impair the independence of their judgment.

**Co-opted to replace Joël Goulet at the Board of Directors' meeting on April 23, 2014.*

▪ OPERATION OF THE BOARD OF DIRECTORS

The internal regulations, which are not published, define the rules related to the Board's organization and operation. In particular, they describe the Board's mission, its operation and the operation of its specialized committees, which were established in accordance with the law and the by-laws. 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 obligations to which Manitou's board members are committed as part of an ongoing concern for good corporate governance. These principles are based on the duties of diligence, independence, transparency and confidentiality.

The Board of Directors met 10 times in 2016. The group's business, strategic direction and projects in progress were reviewed throughout the year. Particular attention was paid in 2016 to the road map, strengthening innovation, the development of service offerings and the pursuit of the company's commitment to CSR.

Board meetings were convened by the Chairman and held at the registered office or, in exceptional circumstances for some members, via a secure telephone line.

Each Board member and each employee representative invited to attend were sent all the documents and information prescribed by law and necessary to fulfill their duties.

The minutes of Board meetings are systematically written up and submitted to each member for approval. The average level of attendance at Board meetings in 2016 was 99%.

The Statutory Auditors were invited 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.

Board members are compensated in the form of attendance fees, the distribution of which 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. Details of all these forms of compensation are provided in chapter 5 of the management report on corporate governance.

The Board carried out a self-assessment exercise in accordance with its internal regulations and based on recommendation R15 of the MiddleNext code. Each Board member presented their assessment on the basis of a questionnaire derived from the MiddleNext governance code. The assessment related to the operation of the Board and its committees in respect of preparation, operation and follow-up and was intended to follow up on the implementation of the points for improvement identified in 2014. These individual contributions were analyzed and summarized by an independent board member. Various discussions at the Board meetings held on January 26, 2017 resulted in an action plan, which was unanimously approved by the Board of Directors and the Group's Executive Management for the points concerning it.

▪ THE SPECIALIZED COMMITTEES

The Board of Directors has four specialized committees, which are responsible for examining matters within the scope of their terms of reference and submitting their views and recommendations to the Board.

THE AUDIT COMMITTEE

The Audit committee consists of Jacqueline Himsworth, Chair, Agnès Michel-Ségalen and Pierre-Henri Ricaud, with Sébastien Braud as an alternate member.

All three committee members have expertise in finance or accounting. These skills are assessed with regard to their education and professional experience.

The primary responsibilities of the Audit committee are to ensure:

- the accurate and fair presentation of the financial statements and all financial disclosures,
- the quality of internal control and risk management procedures,
- an analysis of the financial impacts of investment or divestment transactions,
- the independence of the Statutory Auditors, particularly with regard to ensuring that the nature of the additional duties carried out by the Statutory Auditors do not represent a conflict of interest with their duty to certify the company's financial statements.

The Audit committee met eight times. Minutes of each meeting were taken and the Audit committee intervened regularly with the Board to provide its recommendations and conclusions. The Audit committee's interventions are systematically included in the minutes of Board meetings.

The Audit committee met twice with the Statutory Auditors in 2016, prior to the end of the half-year and full-year closure of the accounts. It reviewed all of the internal audit reports and the internal control tools and procedures in place, as presented by the Audit and Internal Control Manager. During its meetings, it met regularly with the Corporate Secretary - CFO and Finance Director, mainly to discuss financial and tax-related issues, and financing tools.

THE COMPENSATION COMMITTEE

The Compensation committee consists of Dominique Bamas, Chair, Sébastien Braud and Christopher Himsworth, with Pierre-Henri Ricaud as an alternate member.

The main functions of the committee are to prepare the Board's work related to compensation:

- for Board members, by making proposals regarding the allocation of 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 given ad hoc assignments,

- for the 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 associated assessment priorities and by overseeing their application, ensuring compliance with the company's transparency requirements in relation to such compensation, particularly in the annual report; and by proposing a policy for long-term instruments, taking into account the formulas allowed in law and their consequences.

More broadly, the Committee is informed once a year of the compensation policy in force within the group for various categories of employee.

The Compensation committee met four times during 2016 and its work was reported to the Board of Directors.

THE STRATEGIC COMMITTEE

The Strategic committee consists of Marcel Braud, Chair, Marcel-Claude Braud, Gordon Himsworth and Dominique Bamas. Christopher Himsworth and Sébastien Braud are 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 four times in 2016.

THE DEVELOPMENT COMMITTEE

The Development committee consists of Marcel Braud and Jacqueline Himsworth. They are entitled to convene a meeting when this is considered necessary, to examine specific topics in preparation for meetings of the Board.

Sébastien Braud and Gordon Himsworth serve as alternate members.

The Committee did not meet in 2016.

7.1.1.3 SOVEREIGN POWER: THE SHAREHOLDERS' MEETING

Shareholders' Meetings are convened as provided for by law. They are held at the registered office 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

In accordance with the AMF's recommendation of 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 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 implementation of all instructions and guidelines set by executive management,
- the successful implementation of all procedures, in particular those designed to protect the group's assets,
- the reliability of financial information,
- and, in general, to help manage the group's business, performance and 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 by taking appropriate actions.

In addition to the objectives mentioned above, in 2015 the group signed the United Nations' Global Compact Charter.

Since 2007, the Manitou group's internal control system has been based on a code of ethics. Updated in 2010, this acts as a frame of reference for ethical and responsible business conduct. It is based on the collective principles by which the group holds itself to account as a legal entity, and on the individual behaviors expected of everyone involved in it.

7.1.2.2 ORGANIZATION

The internal control system is based on a clearly defined organization, consisting of two product divisions, MHA – Material Handling & Access and CEP – Compact Equipment Products, a Services & Solutions Division, a Sales & Marketing department and the support functions, which are split between the Company Secretary's office and Human Resources. The Executive Committee, whose composition is detailed in this management report, meets with the Chief Executive Officer every week. The members of the Executive Committee are supported by a Management Committee, which brings together all of the operating functions in their respective divisions.

This organization provides a framework which, through quarterly "Business Reviews", supports control of the business and the achievement of objectives for each product division and each sales region, and on a half-yearly basis for each support function. Periodic reviews of the Corporate Secretary's office and Human Resources are also carried out.

In addition, the group relies on a manual for decision making and responsibility updated in July 2016, in line with the group's organization, which is applicable to all group companies and covers the following topics:

- legal and regulatory obligations, 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 group developed a new internal control manual in December 2016. This was adapted for group companies and has helped to strengthen the group's culture of internal control.

The internal audit system is coordinated by the Audit and Internal Control Manager, whose direct line manager is the Corporate Secretary, and whose functional line manager is the Audit committee.

7.1.2.3 DISTRIBUTION OF INFORMATION

The internal distribution of relevant, reliable and timely information allows everyone to fulfill their responsibilities.

The budget process and the production of accounting and financial information are both structured and structuring processes, which allow information and strategic objectives to be shared within the group.

THE BUDGET PROCESS

The budget process takes place in the fourth quarter of the financial year, to provide a sufficient level of visibility of the business for the year and more reliable budget forecasts for the year to come. Business assumptions are consolidated and reviewed by Sales & Marketing on the basis of information provided by each of the group's distribution subsidiaries.

Sales objectives are then shared with the presidents of each division, to ensure an optimal adjustment of production to demand (control of production capacity and consideration of standard constraints, such as procurement and compliance 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 relevant financial and operational management teams.

The group then produces a divisional consolidation, which is presented to the Executive Committee by the president of each division. The Executive Committee decides on the priorities and objectives for each division, prior to presentation to the Audit Committee and finally, the Board of Directors for approval.

PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

The consolidation packages for the full-year and interim periods are prepared by the subsidiaries in accordance with the Manitou group's financial guidelines and sent to the consolidation department of the parent company.

The 2016 financial statements for both the parent company and the group were prepared by the finance department, 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 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 finance department.

The half-year financial statements, prepared in accordance with IAS 34, are also subject to a limited review by the Statutory Auditors.

The Statutory Auditors presented a summary of their findings to the Audit committee on February 27, 2017. The Board of Directors met on March 1, 2017 to approve Manitou's corporate and consolidated financial statements as at December 31, 2016.

7.1.2.4 RISK MANAGEMENT

The risk management process was strengthened by producing a new map of the group's main risks in June 2016.

This exercise, which was carried out by the Audit and Internal Control Manager, asked the 25 executives in the most significant positions within the group to consider the main risks facing the group as a whole, as well as those more specific to their businesses. Its objective was to identify key risks, the degree to which they are controlled or the probability of their occurrence, depending on the case, and to assess their potential impact on the group's financial position or image.

The risk map, which was shared with both the Audit committee and the Board of Directors, demonstrated a positive trend in the perception of operational risks since the previous exercise, which was carried out in 2013. The main risks faced by the Manitou group are described in detail in the "Risk factors and risk management" section of the management report.

Following the work carried out on risk mapping, a management control system for risk management continued in 2016, with the implementation of contingency plans assigned to members of the Executive Committee for major risks. The action plan associated with the risk map is reviewed by the Audit committee on a regular basis.

7.1.2.5 CONTROL ACTIVITIES

Internal audits are conducted in line with the annual audit plan produced by the Audit Committee.

Nine internal audits were carried out in 2016:

- on purchasing, sales and management of spare parts at Manitou BF,
- at the Manitou South Asia subsidiary in India, on commercial, logistical, administrative and financial processes,
- on the capitalization process at MBF, at the subsidiary Manitou Southern Africa in South Africa on commercial, logistical, administrative and financial processes,
- on the capitalization process at Manitou Americas in the USA,
- at the Manitou Deutschland subsidiary in Germany, on commercial, logistical, administrative and financial processes,
- at the Manitou Australia subsidiary in Australia on commercial, logistical, administrative and financial processes,
- at the Manitou Polska subsidiary in Poland on commercial, logistical, administrative and financial processes,
- on the capitalization process at Manitou Italia in Italy.

The audit reports, which contain recommendations and action plans, are sent out to the various divisions, Executive Management, the Audit Committee, the Statutory Auditors and the Chairman of the Board.

Moreover, specific monitoring of recommendations made in the audit reports during the last five years was repeated in 2016. Details were presented to the Audit committee, enabling it to monitor the progress made on the implementation of internal controls. It revealed that the rate of partial or total implementation of action plans following the audit recommendations made prior to 2011 was nearly 99%, and the rate of partial or total implementation of action plans following the audit recommendations made between 2012 and 2015 was nearly 82%. This was the result of more attention being focused on the implementation of action plans and conducting a number of specific monitoring missions relating to the implementation of audit recommendations.

The internal audit teams coordinate their efforts with the work of the Statutory Auditors by means of:

- regular communication between the Audit & Internal Control Manager and the Statutory Auditors,
- the distribution of an annual audit plan, following the production of each audit report,
- attendance by the Audit & Internal Control Manager at the meetings held to present the work of the statutory auditors.

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

Year ended 31 December 2016

- 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 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L.225-37 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and

- to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

7.2.1 INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;

- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;

- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of the French Commercial Code.

7.2.2 OTHER DISCLOSURES

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

Orvault and Saint-Herblain, April 14, 2017

The Statutory Auditors

French original signed by

RSM Ouest	**Deloitte & Associés**
Jean-Michel Picaud	Emmanuel Gadret

8. FINANCIAL STATEMENTS

8.1 CONSOLIDATED FINANCIAL STATEMENTS

8.1.1 STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

In thousands of euros		31.12.2015	31.12.2016
Net sales	Note 20	1 287 157	1 331 533
Cost of goods and services sold		-1 084 030	-1 114 915
Research and development expenses		-20 595	-18 339
Selling, marketing and service expenses		-77 591	-82 980
Administrative expenses		-44 060	-45 412
Other operating income and expense	Note 25	-358	762
RECURRING OPERATING INCOME		60 523	70 649
Impairment of assets	Note 21	-257	0
Other non-recurring operating income and expenses	Note 21	-3 117	-985
OPERATING INCOME		57 149	69 664
Share of profits of associates	Note 8	2 723	2 482
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES		59 872	72 146
Financial income		11 166	21 878
Financial expenses		-21 578	-30 039
Net financial income/expense	**Note 26**	**-10 412**	**-8 161**
INCOME BEFORE TAX		49 459	63 985
Income taxes	Note 19	-16 919	-20 883
NET INCOME		32 541	43 102
Attributable to equity holders of the Parent		32 298	42 912
Attributable to minority interests		242	190

EARNINGS PER SHARE (IN EUROS)

		31.12.2015	31.12.2016
Net income attributable to equity holders of the Parent	Note 1.24	0,82	1,11
Diluted earnings per share	Note 1.24	0,82	1,11

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE & COMPREHENSIVE INCOME

In thousands of euros	31.12.2015	31.12.2016
INCOME FOR THE YEAR	32 541	43 102
Adjustments in the fair value of available-for-sale financial assets	40	300
Of which booked to equity	*40*	*300*
Of which transferred to income for the year		
Currency translation differences arising on foreign activities	18 312	6 635
Attributable to equity holders of the Parent	*18 314*	*6 624*
Attributable to minority interests	*-2*	*11*
Interest rate hedging instruments	537	-455
Attributable to equity holders of the Parent	*537*	*-455*
Attributable to minority interests	*0*	*0*
Items that will be reclassified to profit or loss in subsequent periods	18 889	6 481
Actuarial gains (losses) on defined benefits plans	1 086	-3 410
Attributable to equity holders of the Parent	*1 089*	*-3 389*
Attributable to minority interests	*-3*	*-21*
Items that will not be reclassified to profit or loss in subsequent periods	1 086	-3 410
OTHER COMPONENTS OF COMPREHENSIVE INCOME	19 974	3 070
COMPREHENSIVE INCOME	52 515	46 172
Attributable to equity holders of the Parent	*52 278*	*45 992*
Attributable to minority interests	*237*	*180*

The other components of comprehensive income are reported net of the associated taxes. The tax impact may be split as follows:

In thousands of euros	31.12.2015	31.12.2016
Items that will be reclassified to profit or loss in subsequent periods	-331	129
Items that will not be reclassified to profit or loss in subsequent periods	-729	232
Total tax impact	**-1 060**	**362**

8.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In thousands of euros		31.12.2015	Net amount 31.12.2016
NON-CURRENT ASSETS			
TANGIBLE ASSETS	Note 6	140 432	150 454
GOODWILL	Note 5	288	288
INTANGIBLE ASSETS	Note 5	27 439	34 094
INVESTMENTS IN ASSOCIATES	Note 8	25 126	23 893
NON-CURRENT FINANCE CONTRACT RECEIVABLES	Note 12	2 446	2 784
DEFERRED TAX ASSETS	Note 19	21 938	20 712
NON-CURRENT FINANCIAL ASSETS	Note 9	7 153	7 599
OTHER NON-CURRENT ASSETS		286	359
		225 109	240 184
CURRENT ASSETS			
INVENTORIES & WORK IN PROCESS	Note 10	377 122	409 413
TRADE RECEIVABLES	Note 11	266 192	279 263
CURRENT FINANCE CONTRACT RECEIVABLES	Note 12	1 150	1 332
OTHER RECEIVABLES			
Current income tax		12 434	4 260
Other receivables	Note 14	21 365	27 758
CURRENT FINANCIAL ASSETS	Note 9	1 265	3 888
CASH AND CASH EQUIVALENTS	Note 9	57 299	53 602
		736 827	779 517
TOTAL ASSETS		**961 936**	**1 019 700**

EQUITY & LIABILITIES

In thousands of euros		31.12.2015	Net amount 31.12.2016
Share capital	Note 15	39 552	39 557
Share premiums		44 682	44 749
Treasury shares		-9 154	-24 088
Consolidated reserves		370 478	385 058
Currency translation differences		17 026	23 698
Net profit (loss) – Equity holder of the Parent		32 298	42 912
SHAREHOLDERS' EQUITY (Group portion)		494 883	511 886
MINORITY INTERESTS		87	72
TOTAL EQUITY		494 970	511 958
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS	Note 16	50 894	52 772
OTHER NON-CURRENT LIABILITIES		1 197	992
DEFERRED TAX LIABILITIES	Note 19	213	447
NON-CURRENT FINANCIAL LIABILITIES			
Loans and other financial liabilities	Note 9	105 618	52 948
		157 922	107 160
CURRENT LIABILITIES			
CURRENT PROVISIONS	Note 16	21 770	22 065
TRADE ACCOUNTS PAYABLE	Note 18	180 054	211 557
OTHER CURRENT LIABILITIES			
Current income tax	Note 19	1 154	2 563
Other liabilities		87 018	101 235
CURRENT FINANCIAL LIABILITIES	Note 9	19 048	63 162
		309 044	400 582
TOTAL EQUITY & LIABILITIES		**961 936**	**1 019 700**

8.1.3 CONSOLIDATED SHAREHOLDERS’ EQUITY AS AT DECEMBER 31, 2016

CHANGES IN CONSOLIDATED SHAREHOLDERS’ EQUITY

In thousands of euros	Share capital	Share premiums	Treasury shares	Reserves	Income for the period	Currency translation differences	Valuation differences	TOTAL SHAREHOLDERS' EQUITY (Group portion)	Minority interests	TOTAL SHAREHOLDERS' EQUITY
Balance at 31.12.2014	39 549	44 645	-8 989	351 156	30 397	-1 302	908	456 365	-15	456 349
Income for 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 & other	3	37		-12		14		42		42
Shareholders’ agreements									-135	-135
Balance at 31.12.2015	39 552	44 682	-9 154	369 571	32 298	17 026	908	494 883	87	494 970
2015 income				32 298	-32 298					
Income at 31.12.2016					42 912			42 912	190	43 102
Dividends				-14 136				-14 136		-14 136
Changes in currency translation differences						6 624		6 624	11	6 635
Valuation differences under IFRS				-264				-264		-264
Treasury shares			-14 934					-14 934		-14 934
Actuarial (gains) losses on employee benefits				-3 389				-3 389	-21	-3 410
Changes in consolidation scope & other	5	67		69		48		189		189
Shareholders’ agreements									-195	-195
Balance at 31.12.2016	39 557	44 749	-24 088	384 150	42 912	23 698	908	511 886	72	511 958

8.1.4 CASH FLOW STATEMENT AS AT DECEMBER 31, 2016

	In thousands of euros	31.12.2015	31.12.2016
	NET INCOME	**32 541**	**43 102**
	Less share of profits of associates	-2 723	-2 482
	Less: Non-cash and non-operating expenses		
+	Amortization and depreciation	33 278	29 490
-	Provisions and impairment	-1 671	-2 753
-	Change in deferred taxes	4 679	2 099
+/-	Income (loss) from non-current asset disposal	19	-104
-	Change in capitalized leased machines	-9 549	-6 780
+/-	Other	-135	-142
	EARNINGS BEFORE DEPRECIATION AND AMORTIZATION	**56 439**	**62 430**
	Changes in cash flow from operating activities		
+/-	Change in inventories	45 159	-26 384
+/-	Change in trade receivables	-15 878	-9 496
+/-	Change in finance contract receivables	341	1 168
+/-	Change in other operating receivables	-121	-6 561
+/-	Change in trade accounts payable	3 723	29 195
+/-	Change in other operating liabilities	-7 819	11 346
+/-	Change in taxes payable and receivable	-5 601	9 745
+/-	Change in liabilities linked to finance contract receivables	-467	-14
	CASH FLOW FROM OPERATING ACTIVITIES	**75 777**	**71 429**
	Changes in cash flow from investing activities		
+	Proceeds from sale of property, plant and equipment	373	206
+	Proceeds from sale of long-term investments		829
-	Purchase of intangible assets, property, plant and equipment (excl. rental fleet)	-32 970	-36 424
-	Decrease (increase) of other financial assets	-989	-324
-	Acquisition of subsidiaries or minority interests		0
-	Increase in capital of associates	-2 887	0
+	Dividends received from associates	4 410	1 983
	CASH FLOW FROM INVESTING ACTIVITIES	**-32 063**	**-33 731**
	Changes in cash flow from financing activities		
+	Capital increase	40	72
-	Capital reduction		
-	Merger		
-	Dividends paid	-13 734	-14 136
+/-	Purchase/sale of treasury shares		-14 987
+/-	Change in financial liabilities	9 985	-14 906
	Of which loans taken during the year	*48 985*	*44 109*
	Of which loans repaid during the year	*-39 000*	*-59 015*
+/-	Other	832	1 102
	CASH FLOW FROM FINANCING ACTIVITIES	**-2 876**	**-42 854**
	NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS	**40 838**	**-5 156**
	Cash, cash equivalents and bank overdrafts at beginning of the year	11 880	53 800
	Exchange gains (losses) on cash and bank overdrafts	1 081	525
	CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR	53 800	49 169
	CURRENT FINANCIAL ASSETS (REMINDER)	1 265	3 888

8.1.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2016

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF SA is a French corporation (*société anonyme*) with a Board of Directors under French law with capital of €39,557,449 consisting of 39,577,449 shares with a par value of €1 per share, fully paid up. The shares are listed in compartment "B" of the NYSE Euronext Paris stock exchange.

The parent company's headquarters address, which is also the Group's main production site, is: 430 rue de l'Aubinière - BP 10249 - 44158 - Ancenis Cedex France.

The company is registered in the Nantes Trade and Companies Register under the following number: 857 802 508 RCS Nantes - SIRET [business and location identifier]: 857 802 508 00047 - Code APE [former standard industrial classification]: 292D - Code NAF [standard industrial classification]: 2822Z.

FINANCIAL INFORMATION RELATED TO THE APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Manitou Group were approved by the Board of Directors on March 1, 2017.

1 – ACCOUNTING PRINCIPLES

1.1 - ACCOUNTING STANDARDS USED BY THE GROUP

The financial statements of the Manitou Group at December 31, 2016 were prepared according to IFRS as adopted by the European Union at the reporting date. These international standards include IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the SIC and IFRIC interpretations.

1.2 - ACCOUNTING CHANGES IMPLEMENTED IN THE GROUP'S FINANCIAL STATEMENTS AT DECEMBER 31, 2016

The accounting and valuation rules applied by the Group in the consolidated financial statements at December 31, 2016 are identical to those used in the financial statements at December 31, 2015.

1.2.1 NEW STANDARDS REQUIRED TO BE APPLIED FOR THE 2016 FINANCIAL STATEMENTS

The provisions that were mandatory as at January 1, 2016 have no impact on the Group's financial statements.

1.2.2 NEW STANDARDS ADOPTED BY THE EUROPEAN UNION SUBJECT TO EARLY APPLICATION

The Manitou Group did not apply any standards, amendments or interpretations published in the Official Journal of the European Union at December 31, 2016 which was not required to be applied in 2016, notably IFRS 15, "Revenue from contracts with customers".

During the 2016 period, the Manitou Group began training its teams and continued its 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 recognition).

1.3 - MAIN VALUATION PRINCIPLES USED FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared according to the historical cost principle, with the exception of certain categories of assets and liabilities which were valued at fair value in accordance with the rules laid down 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 and income and expense items, and certain information given in the notes to the financial statements. Manitou regularly reviews the estimates and assumptions used, to reflect past experience and other factors that may influence the amounts reported in the financial statements. The Audit Committee was also required to provide its opinion in the application of the Group's accounting methods.

The main financial statement items that rely on estimates and judgments are as follows:

- the recoverable value of intangible and tangible assets, as well as their expected useful life (see Notes 1.8 to 1.10);
- provisions, especially for warranties and litigation (see Note 1.18);
- employee benefits (see Note 1.19);
- the valuation of stock options (see Note 1.17);
- the fair value of finance contract receivables (see Note 1.12);
- deferred tax assets (see Note 1.20).

1.4 - CONSOLIDATION METHODS

Manitou BF and the companies over which it exercises full direct or indirect control (subsidiaries) are fully consolidated.

The companies over which Manitou BF directly or indirectly exercises significant influence (associates) are accounted for using the equity method. The Manitou Group has also opted to use the equity method for its joint ventures.

Apart from Manitou Finance France SAS, Manitou Finance Ltd. and Hangzhou Manitou Machinery Equipment Co Ltd which were accounted for using the equity method, all companies were fully consolidated.

All the companies were consolidated on the basis of the financial statements as at December 31, 2016.

Manitou Group has no special purpose entities. Furthermore, there was no deconsolidation in 2016 or in the prior periods.

1.5 - PRESENTATION OF THE FINANCIAL STATEMENTS: INCOME STATEMENT BY FUNCTION

The aims of presenting the income statement by function are:

- to make the financial statements more easily readable and more familiar to operating staff;
- to use a single standard for measuring performance;
- to make financial information more readily accessible to managers and foreign investors.

DEFINITION OF THE MAIN LINE ITEMS OF THE INCOME STATEMENT BY FUNCTION

NET SALES

Sales mainly consist of the sales of new handling equipment assembled within the Group or acquired from third parties, spare parts and attachments, equipment rentals, equipment fleet management services and other miscellaneous services.

COST OF GOODS AND SERVICES SOLD

The cost of sales is made up of the cost of goods and services sold, which comprises the cost of raw materials and components, labor directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortization of intangible assets, equipment and materials allocated to production, contractual warranty costs, provisions for inventory impairment, and exchange gains and losses on operating income in foreign currency resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement.

GROSS MARGIN

The gross margin on the cost of sales is the difference between sales and the cost of sales.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses consist of personnel costs for staff assigned to innovation, development, design, prototyping and product improvements. The businesses frequently use external services as well as dedicated equipment and materials for which depreciation is charged to the function.

Research and development activities that meet feasibility and innovation criteria can be capitalized as intangible assets and subsequently amortized as cost of sales. Expenses not meeting the criteria for capitalization are recognized directly as expenses.

SALES AND MARKETING EXPENSES

Sales expenses consist primarily of personnel and associated costs allocated to business development assignments, coordination of dealer networks, and marketing and technical expenses. This line item also includes sales commissions, advertising expenses, trade shows, credit insurance expenses, the cost of sales warranties, travel expenses and the depreciation of associated infrastructure.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of personnel expenses and costs associated with the support functions (human resources, finance, general secretariat, etc.). They also include depreciation of the infrastructure associated with these functions.

NON-RECURRING INCOME AND EXPENSES

This item includes the following:

- impairment recorded;
- restructuring costs;
- other transactions involving consolidated securities;
- unusual items corresponding to other income and expenses which are not usual in terms of their frequency, nature and amount.

OPERATING INCOME

Operating income includes all the recurring and non-recurring items described above.

OPERATING INCOME INCLUDING NET INCOME FROM EQUITY ASSOCIATES

The "Operating income including net income from equity associates" aggregate line item includes the proportionate share of income from associate companies in operating income.

1.6 - TRANSLATION METHOD FOR FOREIGN CURRENCY OPERATIONS AND TRANSACTIONS

TRANSLATION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

The financial statements of Group companies whose operating currency is different from the reporting currency are translated as follows:

- Assets and liabilities: at the closing exchange rate on each balance sheet date.
- Income and expenses in the income statement: at the average exchange rate for the period.

All resulting currency translation differences are recognized as a separate line item under shareholders' equity.

Upon consolidation, exchange differences arising from net investments in foreign operations are allocated to shareholders' equity. When a foreign entity is disposed of, any such currency translation differences are recognized in the income statement as a profit or loss on disposal.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

No Manitou Group company operates in a hyperinflationary economy.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in a currency other than the operating currency are initially 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 operating income for other currency translation differences.

EXCHANGE GAINS AND LOSSES

Exchange gains and losses recognized on foreign currency operating transactions resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement are allocated to "Cost of goods and services sold", after hedging derivatives are factored in.

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 on the acquisition date, in accordance with the recommendations of IFRS 3 (Revised).

The excess of the purchase price over the fair value of the share of assets acquired and liabilities assumed is recognized as goodwill.

Goodwill is not amortized, but is tested for impairment at least once a year, and whenever an indication of impairment exists (see note 1.10).

Goodwill relating to the acquisition of associates is included in the balance sheet value of those investments.

1.8 - INTANGIBLE ASSETS

DEVELOPMENT EXPENSES are capitalized as an asset when they meet all the following criteria:

- the product or process is clearly determined and the costs attributable to the product or process can be identified separately and reliably assessed;
- the product or process is new or represents a substantial 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;
- there are sufficient available resources.

These expenses primarily include the costs of the personnel assigned to the projects, the portion of overhead costs dedicated to the development activity, the costs of external studies and the costs of prototype creation.

Development expenses incurred between the decision to start development, the manufacture of new equipment and the testing and pre-series production phase for that equipment are recognized as intangible assets. Depreciation of the asset begins when development is complete and the asset is ready to be put into operation.

Costs incurred in connection with the implementation of an integrated information system (ERP) are recognized as assets for the portion relating to the detailed design of the project and to programming, testing and documentation, if it is likely that the future economic benefits attributable to the asset will flow to the entity and if the cost of that asset can be reliably assessed and monitored.

Costs related to preliminary study, the functional analysis phase and user training are recognized as expenses for 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 make use of this option.

AMORTIZATION is calculated according to the estimated useful lives of the different categories of assets, using the straight-line method. The amortizable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortizable assets.

The main depreciation periods are as follows:

- patents: 5 years
- computer software: 3 years
- complex IT systems - ERP: 7 years
- development costs: 5 years.

8. FINANCIAL STATEMENTS

1.9 - TANGIBLE ASSETS

INITIAL RECOGNITION

The gross value of tangible assets is the historical cost of acquisition or production.

In regard to the item-based approach, the principles currently applied are as follows:

- with respect to buildings, the "construction" portion (structural work) and the "installations" portion (walls, electricity, compressed air systems, etc.) are depreciated over different periods (20 to 30 years for buildings and 10 years for installations);
- with respect to industrial equipment and other fixed assets with a high unit value (more than €50 thousand), depending on the nature of the constituent components and their rate of wear and tear, components for which the unit value exceeds 15% of the total value of the asset are also separated out, so that different depreciation periods can be applied.

DEPRECIATION is calculated based on the estimated useful lives of the different categories of assets, based on the straight-line method. The depreciable amount is the difference between the cost of the asset and the 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 construction quality;
- 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;
- transport equipment: 4 years for passenger cars, 5 years for large commercial vehicles;
- office and IT equipment: between 3 and 5 years depending on the type of equipment;
- office furniture: 10 years.

EQUIPMENT RENTED OR PROVIDED FOR RENTAL

Equipment covered by financing leases for the benefit of Group companies is capitalized when the unit value exceeds €15 thousand.

Equipment covered by financing leases for the benefit of customers is not capitalized, whether related to previously capitalized equipment, financing leases (back-to-back leasing) or rental (back-to-back rental). These assets are reported as receivables, at an amount equal to the net investment in the leasing contract.

Equipment covered by simple rental contracts to the benefit of customers are capitalized in the appropriate asset categories. It is depreciated over a period of 8 years.

1.10 - IMPAIRMENT OF A CAPITALIZED ASSET

Assets for which the expected useful life is not defined, for example, goodwill, are not amortized and are subject to an annual test for impairment. The amortized assets are reviewed on each reporting date to identify any indication of impairment.

Whenever there is an internal or external indication of impairment, the recoverable value of the asset concerned is appraised with reference to the asset group to which it belongs (cash-generating unit). Cash-generating units are coherent subsets that produce independent cash flows.

At Manitou Group level, the main cash-generating units (CGUs) identified correspond to the manufacturing and marketing of handling equipment, the manufacturing of masts, the marketing of spare parts and accessories, and the financing of sales of handling equipment to end users. The CGUs are part of the operating sectors defined by the Group.

The recoverable value of an asset or an asset group is its fair value less disposal costs or its expected useful value, whichever is greater. The expected useful value is the expected discounted 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 preparation of these plans include developments in the markets in which these cash-generating units operate, and the trends in the selling prices of the products and the purchase prices of materials and components. The discount rate is the weighted average cost of capital established by the Group.

When the recoverable value is less than the net carrying amount of the CGU under consideration, an impairment loss is recorded against non-recurring operating income to reduce the asset or the asset group concerned.

1.11 - VALUATION AND WRITE-DOWN OF INVENTORIES

The methods adopted for valuing inventories and calculating inventory write-downs are consistent with IAS 2. Inventories are valued on the following basis:

- Merchandise: valued at the weighted average purchase price;
- Raw materials: valued at the weighted average purchase price;
- Semi-finished products, work in process and finished products: valued at the cost of production (raw materials, equipment and labor at actual cost).

Semi-finished and finished products are valued on the basis of a standard level of activity.

Furthermore, provisions for write-down of inventories are recognized when the net realizable value of goods and merchandise is less than their cost price.

1.12 - VALUATION AND RECOGNITION OF FINANCIAL ASSETS

1.12.1 - RECEIVABLES ON FINANCE CONTRACTS

Receivables on finance contracts are valued at their discounted value using the effective interest rate method. If there are objective indications of impairment, a write-down for impairment is recorded. The amount of any loss recognized is recorded in the income statement.

1.12.2 - SECURITIES AVAILABLE FOR SALE

Share investments in companies other than subsidiaries and associates are classified as "securities available for sale". These are valued at their fair value on the reporting date and changes in fair value are recognized in consolidated reserves.

An impairment loss is recognized in the income statement whenever there is an objective indication of impairment. A significant or prolonged decrease in the fair value of the securities held, below their cost, is an objective indication of impairment.

1.12.3 - CASH AND CASH EQUIVALENTS

The "Cash and cash equivalents" item consists of cash on hand, bank deposits and guaranteed capital investments which can be realized or sold in the very 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 RECOGNITION 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. These borrowings are valued at their amortized cost on each reporting date, using the effective interest rate method. Financial expenses therefore include interest 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 agreements specifying the terms for repurchasing 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, by deduction from 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 the next is also recognized as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, by deduction from the Group portion of shareholders' equity.

1.14 - PRINCIPLES OF VALUATION AT FAIR VALUE

The fair value of all financial assets and liabilities is determined on the reporting date, either for accounting purposes or for disclosure in the Notes to the financial statements (see Note 9).

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 observable market data (forward rates, yield curves, etc.), with the resulting valuations being adjusted to take account of reasonable change in the Group or counterparty risks (level 2);
- or based on internal valuation methods which, in the absence of available data, incorporate parameters estimated by the Group (level 3).

1.15 - DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

1.15.1 - VALUATION

Derivative instruments are initially recognized at their fair value on the day that the derivative contract is entered into. They are then revalued at their fair value on each balance sheet date.

The fair value of foreign exchange options and forward contracts is estimated based on market conditions. The fair value of interest rate derivatives reflects amounts that the Group would receive or pay to settle contracts outstanding as of the reporting date.

1.15.2 - DOCUMENTATION

As of the start 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 start 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 relating 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 derivative instruments used by the Group are designated as hedges on future cash flows. As a result:

ACCOUNTING FOR HEDGING TRANSACTIONS

- The effective portion of changes in fair value in derivative instruments meeting the criteria for cash flow hedging is recognized in shareholders' equity. The amounts accumulated in equity are reclassified to the income statement when the hedged item affects earnings.
- The ineffective portion of changes in fair value is recorded directly in the income statement.

CLASSIFICATION IN THE INCOME STATEMENT

- Gains or losses pertaining to the ineffective or effective portion of forward foreign exchange transactions are recorded in the income statement in operating result (hedging of cash flows from operations).
- Gains or losses pertaining to the ineffective or effective portion of interest rate swaps or caps are recorded in the income statement as financial income or expenses.

1.16 – TREASURY SHARES

Treasury shares held by the Group are recognized at their purchase price against shareholders' equity, regardless of their future use (IAS 32).

When securities are sold, the sale price is recognized directly in Group shareholders' equity and the related cash receipt is recognized in cash and cash equivalents. No gain or loss is therefore recorded in the income statement for the period.

1.17 - STOCK OPTIONS

MANITOU BF STOCK OPTIONS

In accordance with IFRS 2, stock options granted to employees and corporate officers of the Group after 7.11.2002 were valued at their fair value on the grant date, defined as the date on which the Board of Directors (or the Management Board for periods prior to 2009) agrees to grant the options to the employees or corporate officers concerned. The stock options were valued using a binomial model based on the following assumptions, measured on the grant date for each plan:

- exercise price;
- share price at grant date;
- estimated life;
- risk-free rate corresponding to the estimated life of options (long-term, zero coupon government bonds);
- estimated volatility;
- dividend rate per share.

These assumptions are described in Note 15.4 to the consolidated financial statements.

The fair value determined in this way is taken into account on a straight-line basis over the entirety of the vesting period (four years).

No new grants were 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 current liability to a third party and it is probable or certain that it will require an outflow of resources to said third party, with no consideration, or for consideration less than the 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 the sales networks or to end customers. It covers the contractual warranty, as well as any potential extension on a case-by-case basis. The provision is based on projections from historical statistical data.

A provision may also be recognized in connection with a recall campaign for specific equipment to resolve a major or hazardous malfunction. In this instance, the provision is assessed by applying the unit cost of remedial action to the fleet of machines concerned.

RESTRUCTURING MEASURES/SEVERANCE INDEMNITIES

The estimated cost of restructuring measures and severance indemnities is recognized and recorded as a provision when they have been documented in a detailed plan and have been announced or begun to be implemented.

1.19 - POST-EMPLOYMENT BENEFITS

The Group has put in place a number of employee benefit plans with defined contributions or defined benefits:

- The defined contribution plans are post-employment benefit plans under which the Manitou Group pays contributions to an independent entity. In this case, the Group is not bound by any legal or implicit requirement which compels it to make additional contributions in the event that the assets are not sufficient to pay the benefits due for services rendered. The contributions are accounted for as an expense when they fall due.
- The liabilities resulting from defined benefit schemes, and their costs, are calculated according to IAS 19 (Revised), using the projected unit credit method. Liabilities for benefits granted are assessed taking into account the demographic and economic assumptions for each entity concerned. They are discounted to their present value using a discount rate based on the interest rates for the highest-quality bonds. The various categories of defined benefit plans in place within the Manitou Group and the main assumptions used are set out in Note 17 to the consolidated financial statements.

Actuarial gains and losses generated by changes in assumptions were recorded in reserves as at December 31, 2016.

The net expense for the period is the sum of the cost of services rendered, the cost related to unwinding the discount, the expected return on plan assets and, if applicable, the cost of managing the assets.

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, using the liability method. Deferred tax assets and liabilities are systematically recorded. Deferred tax assets are written down depending on the probability of their future use.

Within the same tax entity, deferred tax assets and liabilities are offset, since it has the right to offset its tax assets and its tax liabilities payable.

In addition, the Group considered that the French CVAE (Business Contribution on Value Added) had characteristics similar to certain other foreign taxes such as the Italian IRAP, already assessed 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 in the "Income taxes" line item of the income statement.

1.21 - ACCOUNTING TREATMENT FOR GRANTS

Public authority grants are recognized 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 recognized as balance sheet liabilities and reported in the income statement at the rate of depreciation of the relevant assets.

The research tax credit was recognized as grant income for the period.

1.22 - SEGMENT INFORMATION

The Group's organizational structure comprises three divisions, two product divisions and a service division:

The MHA division (Material Handling and Access – handling equipment and aerial work platforms) includes the French and Italian production sites mainly producing telehandlers, masted industrial and all terrain forklift trucks, mounted 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) optimizes the development and production of Gehl & Mustang-branded skidsteer loaders, track loaders, articulated loaders and telehandlers.

The S&S division (Services & Solutions division) includes service activities to support sales (financing approaches, warranty contracts, maintenance and full service contracts, fleet management, etc), after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and services to end users (geo-location, user training, advice, etc). The aim of this division is to create service offers to meet the expectations of each of our customers in our value chain and 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 dealers and the Group's major accounts in 140 countries.

In accordance with IFRS 8, the information by operating segment is prepared on the basis of operating reports submitted to Group management. This information is prepared in accordance with the IFRS applicable to consolidated financial statements.

It includes the following items:

- sales
- operating income
- operating income including net income from equity associates.

These are the performance indicators for the divisions.

1.23 - INCOME FROM ORDINARY ACTIVITIES

Sales amount to all proceeds from the sales of the Group's products, from trading activities and the provision of services associated with sales. It is reported net of value-added tax, goods returns, discounts and allowances and deductions for intragroup sales.

Product sales are reported when the risks and benefits associated with the products are transferred to the buyer, i.e. when they are made available to the distribution network in the case of independent dealers, or at the time of delivery to the end customer in the case of direct sales. The margin is recognized immediately.

1.24 - CALCULATION OF EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. To calculate the 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 – HIGHLIGHTS

AMENDMENT AND EXTENSION OF GROUP FINANCING

In December 2016, Manitou BF finalized the amendment and extension of its line of credit contracted in June 2013 for a further amount of €180 million, with a new maturity of 5 years and the option to extend for another 2 years.

This financing consists solely of a multi-currency RCF (Revolving Credit Facility) of €180 million and supplements the various long-term bond facilities of €50 million established in previous years.

3 – CHANGES IN THE SCOPE OF CONSOLIDATION

During 2016, the Manitou Group incorporated its dealership business for Toyota and Manitou brand products as a subsidiary located in Herblay (in the French *département* of Val d'Oise), transferring the business to a dedicated new entity, CFM Ile de France. This business activity was previously conducted by CFM, now Manitou Global Services (MGS).

The Group also disposed of its share investment in Algomat (Algeria), over which it exercised significant influence. This transaction has no impact on the Manitou Group's performance.

4 – INFORMATION ON THE OPERATING SEGMENTS

The Group's organizational structure comprises three divisions, two product divisions and a service division:

The MHA division (Material Handling and Access – handling equipment and aerial work platforms) includes the French and Italian production sites mainly producing telehandlers, masted industrial and all terrain forklift trucks, mounted 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) optimizes the development and production of Gehl & Mustang-branded skidsteer loaders, track loaders, articulated loaders and telehandlers.

The S&S division (Services & Solutions division) includes service activities to support sales (financing approaches, warranty contracts, maintenance and full service contracts, fleet management, etc), after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and services to end users (geo-location, user training, advice, etc). The aim of this division is to create service offers to meet the expectations of each of our customers in our value chain and 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 dealers and the Group's major accounts in 140 countries.

CONSOLIDATED INCOME STATEMENT BY DIVISION (MHA, CEP, S&S)

31.12.2016 *In thousands of euros*	MHA Material Handling and Access	CEP Compact Equipment Products	S&S Services & Solutions	Total
Net sales	903 676	202 721	225 136	1 331 533
Cost of goods and services sold	-763 997	-181 617	-169 300	-1 114 915
Research and development expenses	-14 734	-3 604		-18 339
Selling, marketing and service expenses	-38 312	-10 814	-33 854	-82 980
Administrative expenses	-25 671	-11 912	-7 828	-45 412
Other operating income and expense	1 387	-729	105	763
RECURRING OPERATING INCOME	**62 347**	**-5 955**	**14 258**	**70 649**
Impairment of assets				
Other non-recurring operating income and expenses	-536	-243	-206	-985
OPERATING INCOME	**61 811**	**-6 199**	**14 052**	**69 664**
Share of profits of associates	-527		3 009	2 482
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**61 284**	**-6 199**	**17 061**	**72 146**

31.12.2015 *In thousands of euros*	MHA Material Handling and Access	CEP Compact Equipment Products	S&S Services & Solutions	Total
Net 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 and development expenses	-15 712	-4 883		-20 595
Selling, 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 expense	-258	-169	69	-358
RECURRING OPERATING INCOME	**43 903**	**4 371**	**12 249**	**60 523**
Write-downs for impairment on assets	-159	-51	-47	-257
Other non-recurring operating income and expenses	-2 838	-57	-222	-3 117
OPERATING INCOME	**40 906**	**4 264**	**11 980**	**57 149**
Share of profits of associates	-120		2 843	2 723
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**40 786**	**4 264**	**14 822**	**59 872**

The spare parts and accessories distribution business, which is part of the Services & Solutions division, benefits from services provided by the MHA and CEP divisions (R&D, qualification of parts, qualification of suppliers), from the installed base of machines sold, and from the brand name recognition developed by these divisions.

In order to pay for all these benefits, the Group's divisional reporting includes a fee paid by the Services & Solutions division to the MHA and CEP divisions. This fee is calculated based on comparable external indicators from independent spare parts distributors for which the median operating income over a five-year period amounted to 4.25% in Europe and 4.87% in the US, the main regions in which the S&S division operates. The fee is allocated to each division in the "Cost of goods and services sold" line item, which therefore corresponds to the cost of goods and services sold, net of fee expense or income.

Assets, cash flows and liabilities are not allocated to the individual divisions, as the operating sector information used by Group management does not include those various items.

SALES BY DIVISION AND REGION

31.12.2016 *In thousands of euros*	Southern Europe	Northern Europe	Americas	APAM	Total
MHA	353 546	397 745	66 838	85 547	**903 676**
CEP	9 869	26 963	149 208	16 682	**202 721**
S&S	80 847	71 186	47 155	25 947	**225 136**
Total	**444 262**	**495 894**	**263 201**	**128 176**	**1 331 533**

31.12.2015 *In thousands of euros*	Southern Europe	Northern Europe	Americas	APAM	Total
MHA	281 312	398 950	58 373	88 212	**826 847**
CEP	8 672	22 122	192 999	15 993	**239 786**
S&S	79 741	68 336	47 126	25 321	**220 523**
Total	**369 725**	**489 409**	**298 497**	**129 526**	**1 287 157**

5 – GOODWILL AND INTANGIBLE ASSETS

5.1 - CHANGE IN NET BOOK VALUE

Gross amount

In thousands of euros	31.12.2015	Additions	Removals	Changes in scope & other	Currency translation differences	31.12.2016
Goodwill	75 248				2 597	77 845
Development expenses	49 979	10 787			688	61 454
Trademarks	29 393				965	30 358
Other intangible assets	71 704	4 534	-7	-19	1 121	77 334
Total intangible assets	**151 076**	**15 322**	**-7**	**-19**	**2 773**	**169 146**

Amortization and impairment

In thousands of euros	31.12.2015	Increases	Decreases	Changes in scope & other	Currency translation differences	31.12.2016
Goodwill	-74 960				-2 597	-77 557
Development expenses	-30 973	-5 582			-285	-36 839
Trademarks	-29 393				-965	-30 358
Other intangible assets	-63 271	-3 523	7		-1 066	-67 855
Total intangible assets	**-123 637**	**-9 105**	**7**		**-2 316**	**-135 051**

Net amount

In thousands of euros	31.12.2015	31.12.2016
Goodwill	288	288
Development expenses	19 007	24 615
Trademarks		
Other intangible assets	8 433	9 479
Total intangible assets	**27 439**	**34 094**

The main investments in intangible assets in 2016 related to development costs of €10.8 million and information systems of €3.8 million.

As a reminder, impairment losses on intangible assets excluding goodwill at December 31, 2016 were as follows:

In thousands of euros	31.12.2016
Development expenses	-1 114
Trademarks	-30 358
Other intangible assets	-29 479
Total	**-60 951**

5.2 - DETAIL OF NET GOODWILL AT YEAR-END

Net amount

In thousands of euros	31.12.2015	31.12.2016
Manitou Portugal SA	71	71
Manitou Italy (ex OMCI)	174	174
Other	43	43
Total	**288**	**288**

5.3 - IMPAIRMENT OF GOODWILL

The main criteria used in preparing impairment tests are described in Note 7.

6 – TANGIBLE ASSETS

Gross amount

In thousands of euros	31.12.2015	Additions	Disposals	Changes in scope & other	Currency translation differences	31.12.2016
Land	29 085	1 221		150	156	30 612
Buildings	147 543	4 066	-141	2 887	1 111	155 467
Plant and equipment	159 692	4 141	-3 497	7 655	1 518	169 509
Other tangible assets	67 698	14 873	-1 466	-6 765	827	75 167
Tangible assets in process	5 466	5 763	0	-8 274	39	2 994
Total	**409 485**	**30 064**	**-5 104**	**-4 348**	**3 651**	**433 749**

Depreciation and impairment

In thousands of euros	31.12.2015	Increases	Decreases	Changes in scope & other	Currency translation differences	31.12.2016
Land	-6 844	-613			-37	-7 494
Buildings	-80 770	-6 277	135	-25	-137	-87 073
Plant and equipment	-135 487	-8 334	3 353	3	-1 112	-141 576
Other tangible assets	-45 952	-5 161	1 348	2 909	-294	-47 151
Tangible assets in process						
Total	**-269 053**	**-20 385**	**4 835**	**2 887**	**-1 580**	**-283 295**

Net amount

In thousands of euros	31.12.2015	31.12.2016
Land	22 241	23 118
Buildings	66 773	68 393
Plant and equipment	24 206	27 932
Other tangible assets	21 746	28 016
Tangible assets in process	5 466	2 994
Total	**140 432**	**150 454**

Total investment in 2016 was €30.0 million, compared with €31.6 million in 2015. Investments included €7.6 million in land and infrastructure, €13.2 million in tooling, €6.9 million in rental fleet equipment and €2.3 million in other projects.

7 – IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

As at December 31, 2016, the Manitou Group had no goodwill or other assets with an undefined expected useful life requiring annual testing for impairment.
Only amortized assets, notably development expenses, are subject to testing when there is an indication of impairment.
Based on a review of the carrying amounts, the Group did not recognize any impairment for 2016.

8 – ASSOCIATES

8.1 - CHANGES IN INVESTMENTS IN ASSOCIATES

In thousands of euros	31.12.2015	Share of net income	Dividends	Changes in consolidation scope	Monetary inc.	31.12.2016
Manitou Finance France SAS	13 134	933	-1 678			12 389
Manitou Finance Ltd.	10 291	2 075	-299		-1 545	10 522
Algomat	134			-134		0
Hangzhou Manitou Machinery Equipment	1 567	-527			-58	982
Total	**25 126**	**2 482**	**-1 978**	**-134**	**-1 603**	**23 893**

8.2 - SHARE OF INCOME AND EQUITY IN ASSOCIATES

In thousands of euros	Income 31.12.2015	Income 31.12.2016	Shareholders' equity* 31.12.2015	Shareholders' equity* 31.12.2016
Manitou Finance France SAS	923	933	563	-182
Manitou Finance Ltd.	1 920	2 075	5 418	5 649
Algomat	0	0	136	0
Hangzhou Manitou Machinery Equipment	-120	-527	315	-270
Total	**2 723**	**2 482**	**6 432**	**5 197**

* Contribution from associates to Group shareholders' equity (portion of shareholders' equity from the equity associate, net of the value of the securities)

8.3 - BREAKDOWN OF KEY INDICATORS BY COMPANY

31.12.2016

In thousands of euros	Activity	Sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	4 005	1 905	148 349	25 283	49%
Manitou Finance Ltd.	Financing	8 112	4 236	157 962	21 474	49%
Hangzhou Manitou Machinery Equipment	Production	2 654	-1 054	3 201	1 964	50%

31.12.2015

In thousands of euros	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%

9 – FINANCIAL INSTRUMENTS

9.1 - RECONCILIATION OF BALANCE SHEET LINE ITEMS - ASSETS

In thousands of euros		Financial assets available for sale	Loans and receivables	Financial assets at fair value through the income statement	31.12.2016 Balance sheet total
Non-current financial assets	Note 9.3	3 840		3 760	7 599
Current financial assets	Note 9.4		24	3 865	3 888
Cash and cash equivalents	Note 9.5			53 602	53 602
Receivables on finance contracts – non-current portion	Note 12		2 784		2 784
Other non-current assets			359		359
Accounts receivable	Note 11		279 263		279 263
Receivables on finance contracts – current portion	Note 12		1 332		1 332
Other current receivables	Note 14		27 758		27 758
Total		**3 840**	**311 520**	**61 226**	**376 586**

In thousands of euros		Financial assets available for sale	Loans and receivables	Financial assets at fair value through the income statement	31.12.2015 Balance sheet total
Non-current financial assets	Note 9.3	3 907		3 246	7 153
Current financial assets	Note 9.4		47	1 219	1 265
Cash and cash equivalents	Note 9.5			57 299	57 299
Receivables on finance contracts – non-current portion	Note 12		2 446		2 446
Other non-current assets			286		286
Accounts receivable	Note 11		266 192		266 192
Receivables on finance contracts – current portion	Note 12		1 150		1 150
Other current receivables	Note 14		21 365		21 365
Total		**3 907**	**291 487**	**61 763**	**357 157**

Financial assets are valued using internal valuation methods (level 2) (see Note 1.14), apart from certain cash equivalents (Note 9.5) which are valued at their quoted price on an active market (level 1).

9.2 – TRANSFERS OF FINANCIAL ASSETS

Transfers of limited-recourse receivables were made until 2011 and were accompanied by the establishment of a loss pool equivalent to 5% of the amount of the receivables sold (pooled for each partner dealer), which remained at the expense of the seller in the case of uncollectables. These receivables were cleared in full in 2016. No receivables were sold during the period.

9.3 – NON-CURRENT FINANCIAL ASSETS

In thousands of euros	31.12.2015	Change	Fair value	Recycled	Currency translation differences	Changes in scope & other	31.12.2016
Securities available for sale:							
- Other	3 907	-511	322		122		3 840
Derivatives							
Other non-current financial assets	3 246	210			117	186	3 760
Total	**7 153**	**-301**	**322**	**0**	**240**	**186**	**7 599**

9.4 - CURRENT FINANCIAL ASSETS

Marketable securities were valued at their fair value on the reporting date:

In thousands of euros	31.12.2015	Net amount 31.12.2016
Financial assets available for sale	0	3
Derivatives	559	3 173
Financial assets at fair value through the income statement	2	2
Loans and pre-payments	47	24
Miscellaneous	658	687
Total	**1 265**	**3 888**

9.5 - CASH AND CASH EQUIVALENTS

In thousands of euros	31.12.2015	Net amount 31.12.2016
Cash and cash equivalents	13 423	51 432
Term deposits and other	475	2 076
Money market instruments and other	43 400	94
Total	**57 299**	**53 602**

9.6 - RECONCILIATION OF BALANCE SHEET LINE ITEMS – LIABILITIES

The various categories of financial liabilities on the reporting date are as follows. They are described in Note 9.7 below.

In thousands of euros		31.12.2015	31.12.2016
Non-current financial liabilities	Note 9.7	105 618	52 948
Other non-current liabilities		1 197	992
Current financial liabilities	Note 9.7	19 048	63 162
Accounts payable	Note 18	180 054	211 557
Other current liabilities	Note 18	87 018	101 235
Total		**392 935**	**429 895**

Financial liabilities are valued using internal valuation methods (level 2); see Note 1.14.

9.7 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The valuation and accounting principles are described in Note 1.13.

In thousands of euros		31.12.2015	31.12.2016 Current
Short-term financing and bank overdrafts		3 494	4 432
Bank loans		6 426	44 754
Financing lease liabilities		1 143	1 388
Liabilities related to receivables securitized with recourse	Note 12	11	0
Derivative liabilities - currency and interest rates		819	5 143
Other borrowings		6 447	6 541
Total		18 340	62 259
Shareholder agreements and stock option plan liabilities (cash-settled)		708	903
Total		**19 048**	**63 162**

In thousands of euros		31.12.2015	31.12.2016 Non-current	1 to 5 years	Over 5 years
Bank loans		59 158	5 986	0	5 986
Financing lease liabilities		2 440	2 893	2 893	0
Liabilities related to receivables securitized with recourse	Note 12	3	0	0	0
Liabilities related to interest rate derivatives		0	0	0	0
Bonds		44 017	44 070	19 309	24 761
Other borrowings		0	-1	0	0
Total		105 618	52 948	22 202	30 747
Shareholder agreements and stock option plan liabilities (cash-settled)		0	0	0	0
Total		**105 618**	**52 948**	**22 202**	**30 747**

The Group fulfills the majority of its financing needs through bank financing (medium-term loans or bank overdrafts). Nonetheless, in 2012 it began to diversify by issuing two bonds, in 2012 and 2013. A further private bond issue of €25 million was issued in 2015, bringing disintermediated debt to a total of €44 million as at December 31, 2016. In addition, the parent company's bank financing contract was amended and extended in December 2016 for a period of five years, with the possibility of two further extensions of one year each.

9.7.1 - CHARACTERISTICS OF THE MAIN BANK LOANS

In thousands of euros	31.12.2016 Current	Non-current	Currency	Maturity	Effective rate
Revolving	44 102		EUR	variable	-/
BPI (1)	32	2 992	EUR	T2/2021	2.82%
BPI (2)	21	2 994	EUR	T2/2024	4.41%

In thousands of euros	31.12.2015 Current	Non-current	Currency	Maturity	Effective rate
Capex Facility		30 000	EUR	T2/2018	1.53%
BPI (1)		2 990	EUR	T2/2021	2.82%
BPI (2)		2 991	EUR	T2/2024	4.41%
Facility A	5 838	11 675	EUR	T2/2018	3.68%
Facility B		11 502	EUR	T2/2018	7.37%
Limited recourse sales	11	3	USD	variable	5.70%

In December 2016, Manitou amended and extended the financing put in place in 2013. The new multi-currency revolving credit facility (RCF) is worth €180 million over a five-year period, with the option of a two-year extension. The A, B and Capex facilities were repaid early.

The financing contract includes clauses for ratios (covenants), "material adverse change" and "cross default" which may limit the potential use of or affect the terms of credit lines. It includes "negative pledge" clauses with accompanying thresholds and exemptions.

Facility	Signatories	Main contractual clauses H2 2016 to H2 2021
Revolving Facility	Manitou BF	Gearing < 1 Leverage < 3.5 except in certain cases Cap on investments Cap on acquisitions and disposals of assets Limits on additional debt Clause on changes in control Dividends are limited to 100% of net income

** defined in paragraph 2.2.9 of this document*

9.7.2 - CHARACTERISTICS OF BONDS

In thousands of euros	31.12.2016 Current	Non-current	Currency	Maturity	Effective rate
Bond 2012 - 2018	102	6 939	EUR	T4/2018	5,95%
Bond 2013 - 2019	20	12 370	EUR	T4/2019	5,35%
Bond 2015 - 2022	460	24 761	EUR	T2/2022	4,00%

The bonds will be reimbursed at maturity in the fourth quarter of 2018, the fourth quarter of 2019 and the second quarter of 2022 respectively.

9.7.3 - BORROWINGS OUTSTANDING VIS-À-VIS FINANCIAL INSTITUTIONS

The portion of borrowings outstanding vis-à-vis financial institutions can be broken down as follows:

	31.12.2015		31.12.2016	
In thousands of euros	Outstanding authorized	Outstanding used	Outstanding authorized	Outstanding used
Short-term financing and bank overdrafts	44 000	3 494	62 000	4 432
Financing lease borrowings	3 583	3 583	4 282	4 282
Other bank loans				
- Amortizable term loans	66 000	64 995	6 000	5 986
- Revolving credits	110 000		180 000	44 107

9.8 - DERIVATIVES

In order to ensure a limit on the cost of financing, the Group has set up interest rate caps and swaps in connection with the new financing contract. These derivatives are designated as hedges of future cash flows. They were considered to be highly effective as at December 31, 2016.

The characteristics of the caps and swaps at December 31, 2016 are as follows:

CAP

In thousands of euros		Average cap rate	Nominal	Fair value at 31.12.2016
Less than one year	T2 2017	0.20%	25	0
1 to 2 years				

SWAP

In thousands of euros		Average SWAP rate	Nominal	Fair value at 31.12.2016
Less than one year	T3 2017	0.483%	25	-150
1 to 2 years	T3 2018	0.325%	25	-146

At December 31, 2016, the Group also held forward foreign currency sales contracts to hedge future cash flows of pounds sterling, Australian dollars, Polish zloty and South African rand denominated in euros for an amount of €60.6 million.

These hedges were considered efficient within the meaning of IFRS. As a result, the change in the fair value of these instruments is recorded as a liability of €5.1 million, an asset of €3.2 million with €0.6 million against equity, with the value of the forward points itself being recognized in financial income/expense as an expense of €1.0 million and in operating income as income of €0.2 million.

9.9 - ANALYSIS OF SENSITIVITY TO CHANGES IN EXCHANGE RATES

The sensitivity analysis was performed based on outstanding receivables, debt, cash and cash equivalents and financial assets available for sale on December 31, 2016, for the major currencies used by the Group for its business.

The sensitivity amounted to a variance of plus 5% for the currencies concerned as compared to their rates on the reporting date.

31.12.2016

In thousands of euros

Receivables and debt denominated in foreign currency Detail by operating currency	AUD/ EUR +5%	GBP/ EUR +5%	USD/ EUR +5%	ZAR/ EUR +5%	SGD/ EUR +5%	RUB/ EUR +5%	BRL/ EUR +5%	INR/ EUR +5%
EUR								
Receivables (AUD, GBP, USD, ZAR, RUB, BRL)	557	444	466	584	0	129	26	52
Debt (AUD, GBP, USD)	-3	-121	-154	0	0	0	0	0
Net cash and cash equivalents (AUD, GBP, USD, SGD, RUB)	166	601	395	0	58	1	0	0
Sub-total	**720**	**924**	**707**	**584**	**58**	**130**	**26**	**52**
AUD								
Receivables (EUR)	-20							
Debt (EUR)	0							
Net cash and cash equivalents (EUR)	0							
Sub-total	**-20**							
GBP								
Receivables (EUR)		-138						
Debt (EUR)		0						
Net cash and cash equivalents (EUR)		-41						
Sub-total		**-179**						
USD								
Receivables (EUR)			-346					
Debt (EUR)			32					
Net cash and cash equivalents (EUR)			-1					
Sub-total			**-316**					
ZAR								
Receivables (EUR)				0				
Debt (EUR)				17				
Net cash and cash equivalents (EUR)				0				
Sub-total				**17**				
SGD								
Receivables (EUR)					-234			
Debt (EUR)					76			
Net cash and cash equivalents (EUR)					-62			
Sub-total					-219			
RUB								
Receivables (EUR)						-4		
Debt (EUR)						0		
Net cash and cash equivalents (EUR)						-13		
Sub-total						**-17**		
BRL								
Receivables (EUR)							-1	
Debt (EUR)							26	
Net cash and cash equivalents (EUR)							-183	
Sub-total							**-158**	
INR								
Receivables (EUR)								0
Debt (EUR)								6
Net cash and cash equivalents (EUR)								0
Sub-total								**6**
Total	**700**	**745**	**392**	**601**	**-161**	**113**	**-133**	**58**

9.10 - FINANCIAL RISK MANAGEMENT

Information relating to financial risk management is set out in paragraph 3.1 of the management report.

10 – INVENTORIES

In thousands of euros	31.12.2015	Changes in consolidation scope and reclassifications	Changes	Currency translation differences	Gross amount 31.12.2016
Raw materials	144 206	0	-27 200	1 195	118 201
Work in process	25 796	0	5 857	245	31 899
Finished products	135 320	1 298	32 600	1 825	171 044
Merchandise	91 214	449	15 127	2 299	109 089
Total	**396 537**	**1 747**	**26 384**	**5 565**	**430 232**

In thousands of euros	31.12.2015	Changes in consolidation scope and reclassifications	Changes	Currency translation differences	Provision 31.12.2016
Raw materials	-6 480	0	-601	-87	-7 168
Work in process	0	0	0	0	0
Finished products	-2 422	4	-18	-3	-2 439
Merchandise	-10 513	0	-544	-154	-11 211
Total	**-19 415**	**4**	**-1 164**	**-244**	**-20 819**

In thousands of euros	31.12.2015	Changes in consolidation scope and reclassifications	Changes	Currency translation differences	Net amount 31.12.2016
Raw materials	137 726	0	-27 802	1 108	111 032
Work in process	25 796	0	5 857	245	31 899
Finished products	132 898	1 301	32 582	1 823	168 605
Merchandise	80 701	449	14 583	2 145	97 877
Total	**377 122**	**1 750**	**25 220**	**5 321**	**409 413**

Reclassifications relate primarily to capitalized leased equipment which is transferred to inventory at the end of the lease to be sold as used equipment.

11 – ACCOUNTS RECEIVABLE

In thousands of euros		31.12.2015	Changes in consolidation scope and reclassifications	Changes	Currency translation differences	31.12.2016
Current						
Accounts receivable - gross		274 983	0	9 496	2 547	287 027
Accounts receivables - allowances	Note 13	-8 791	0	1 151	-124	-7 764
Accounts receivable - net		**266 192**	**0**	**10 648**	**2 423**	**279 263**
Non-current						
Accounts receivable - gross		0	0	0	0	0
Accounts receivables - allowances	Note 13	0	0	0	0	0
Accounts receivable - net		**0**	**0**	**0**	**0**	**0**
Total		**266 192**	**0**	**10 648**	**2 423**	**279 263**

Outside of the US and British markets, the Group generally uses credit insurance or factoring to secure its outstanding receivables. In certain cases, based on customer knowledge acquired by the Group, the outstanding amount for a given customer can be greater than the amount guaranteed.

In the US 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. Under these floor plans, distributors must settle payments for the machines once they are sold 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 the receivables. Each entity performs this analysis based on the specific characteristics of its markets.

The amounts recorded for the creation or reversal of an impairment provision on accounts receivable are included in the "Increases in provisions" line item of the income statement.

Losses related to customer receivables were €2.3 million for 2016 and were recorded in the "Selling, marketing and service expenses" line item of the income statement. These losses were partially offset by the reversal of the provision for impairment recorded on the same line.

12 – FINANCE CONTRACT RECEIVABLES

This line item comprises receivables related to finance contracts. These receivables concern either sales made via financing leases or, in the case of Manitou Americas, the financing of sales to end use customers.

In thousands of euros	31.12.2015	Changes in scope and other	Changes	Currency translation differences	31.12.2016
Gross					
Receivables on financing leases	3 436		74	566	4 077
Receivables on financing granted to end-use customers	2 697		-1 242	26	1 481
Receivables on finance contracts - Gross	**6 133**	**0**	**-1 168**	**592**	**5 558**
Impairment					
Receivables on financing leases Note 13					
Receivables on financing granted to end-use customers Note 13	-2 537		1 122	-27	-1 442
Receivables on finance contracts - Impairment	**-2 537**	**0**	**1 122**	**-27**	**-1 442**
Net					
Receivables on financing leases	3 436		74	566	4 077
Receivables on financing granted to end-use customers	160		-120	-1	39
Receivables on finance contracts - Net	**3 596**	**0**	**-46**	**565**	**4 116**
Of which					
Non-current portion	**2 446**	**-28**	**-33**	**399**	**2 784**
Current portion	**1 150**	**28**	**-13**	**167**	**1 332**

Financing to end customers mainly relates to Manitou Americas. It mainly comprised limited recourse receivables sold (at gross value) which remain on the balance sheet (see Note 9.2). These receivables were cleared in full in 2016. No receivables were sold during the period.

As at December 31, 2016, an impairment test was performed on finance contract receivables. The criteria for impairment are based on a customer-by-customer review for the most material receivables (where materiality is partially defined based on the amount outstanding and partially based on delays to payment).

In addition, an allowance for uncollectable receivables is calculated based on historical statistical data for customers not analyzed on an individual basis.

Losses related to finance contract receivables recorded in 2016 amounted to €1.0 million and were partially covered by the reversal of provisions for impairment.

The age of non-current receivables on finance contracts is as follows:

In thousands of euros	31.12.2016	1 to 2 years	3 to 5 years	Over 5 years
Receivables on financing leases – Net	2 784	2 002	781	
Receivables on financing granted to end-use customers – Net				
Receivables on finance contracts – non-current portion	**2 784**	**2 002**	**781**	

13 – FINANCIAL ASSETS – ANALYSIS OF OVERDUE RECEIVABLES AND PROVISIONS FOR IMPAIRMENT

13.1 - ANALYSIS OF OVERDUE RECEIVABLES AND RELATED PROVISIONS FOR IMPAIRMENT

In thousands of euros	Not due	< 30 days overdue	31-90 days overdue	91-120 days overdue	> 120 days overdue	31.12.2016 Total
Accounts receivable	240 886	22 312	10 963	2 677	10 188	287 027
Provisions for impairment on accounts receivable	-702	-77	-90	-692	-6 203	-7 764
Accounts receivable – Net	**240 184**	**22 236**	**10 873**	**1 985**	**3 985**	**279 263**
Receivables on financing granted to end customers					1 481	1 481
Provisions for impairment on financing granted to end customers					-1 442	-1 442
Receivables on financing granted to end customers – Net					**39**	**39**
Receivables on financing leases	1 293					1 293
Impairment on financing leases						
Receivables on financing leases – Net	**1 293**					**1 293**
Total	**241 477**	**22 236**	**10 873**	**1 985**	**4 024**	**280 595**

13.2 - CHANGES IN WRITE-DOWNS FOR IMPAIRMENT OF FINANCIAL ASSETS

In thousands of euros	31.12.2015	Increases	Applied	Reversals	Reclassifications & other	Currency translation differences	31.12.2016
Provisions for impairment on accounts receivable	**-8 791**	-987	1 144	994		-124	**-7 764**
Provisions for impairment on financing granted to end customers	**-2 537**		1 007	115		-27	**-1 442**
Of which							
- Current	**-2 080**		1 007	115	-449	-35	**-1 442**
- Non-current	**-457**				449	8	
Impairment on financing leases							

14 – OTHER CURRENT RECEIVABLES

In thousands of euros	31.12.2015	Changes in consolidation scope & other	Changes	Currency translation differences	31.12.2016
Tax and social security receivables	**7 198**		9 713	60	**16 971**
Other receivables	**6 694**	-3	-4 964	12	**1 739**
Prepayments and advances to suppliers	**1 515**		336	141	**1 993**
Prepaid expenses	**5 959**	-186	1 413	-130	**7 056**
Total	**21 365**	**-189**	**6 498**	**83**	**27 758**

15 – SHAREHOLDERS' EQUITY

15.1 - SHARE CAPITAL

The share capital consisted of 39,557,449 shares as at December 31, 2016.

15.2 - PROPOSED DIVIDEND DISTRIBUTION

The Board of Directors will propose a dividend of €0.43 per share at the Shareholders' Meeting to approve the financial statements for 2016.

15.3 - TREASURY SHARES

Number of shares	Transactions as at 31.12.2015	% of capital	Transactions as at 31.12.2016	% of capital
Held at opening (share repurchase program)	**267 198**		**267 198**	
Shares purchased (repurchase of Toyota securities)			1 120 000	
Shares sold			- 5 737	
Stock options exercised				
Held at closing (share repurchase program)	**267 198**	0,68%	**1 381 461**	3,49%
Stock option coverage				
Liquidity contract	40 114		36 526	
Total treasury shares held	**307 312**	0,78%	**1 417 987**	3,58%

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 confer dividend rights.

15.4 - STOCK OPTIONS FOR CERTAIN EMPLOYEES

No new plans were awarded in 2016.

15.4.1 - CHARACTERISTICS OF EXISTING PLANS

The main characteristics of stock option plans for certain employees and bonus share grants are as follows:

Options *Characteristics*	Type of plan	Maturity date	Expiry date	Number of beneficiaries (origin)	Average exercise price (in €)	Number of shares per plan
Plan of 19.05.2010	Subscription	20.05.2014	19.05.2018	43	13,60	314 200
Total options granted						**314 200**
Options eliminated - canceled						-182 550
Options exercised						-9 625
Total options remaining valid						**122 025**
Total shares held						**1 381 461**

Bonus shares *Characteristics*	Type of plan	Maturity date	Expiry date	Number of beneficiaries (origin)	Number of shares per plan
Plan of 28.06.2012	AGA	28.06.2012	28.06.2016	151	82 350
Total shares granted					**82 350**

15.4.2 - CHANGES IN THE NUMBER OF VALID OPTIONS

In units	Options outstanding as at 31.12.2015	Options granted	Options exercised	Options canceled	Options outstanding as at 31.12.2016
Plan of 19.05.2010	127 525		- 5 500		122 025
Total	**127 525**		**- 5 500**		**122 025**

15.4.3 - CHANGES IN THE NUMBER OF BONUS SHARES GRANTED

In units	Shares outstanding at 31.12.2015	Shares granted	Shares canceled/not purchased	Shares outstanding at 31.12.2016
Plan of 28.06.2012	19 083		- 19 083	0
Total	**19 083**		**- 19 083**	**0**

15.4.4 - VALUATION OF PLANS

In accordance with the principles set out in Note 1.17, the option and bonus share plans were valued at December 31, 2016 at their fair value on the grant date.

In thousands of euros	2012 plan
Initial value (after deduction of canceled shares)	**399**
2016 cost	**- 21**

The costs for the period are recorded as personnel expenses.

ASSUMPTIONS FOR STOCK OPTION PLANS

The main criteria used to value and recognize the rights are as follows:

- exercise price: the price set by the plan's rules, i.e. the average of the opening share price of Manitou shares over the last 20 days preceding the grant date, discounted by 5%;
- volatility: historical volatility of Manitou shares over three years for all plans;
- dividend payout rate: average dividend rate over the three years preceding the granting of each plan;
- estimated life of the option: 5 years;
- rate: risk-free rate for the life of the option, measured on the grant date for each plan;
- vesting period: the vesting period is 4 years for all existing plans.

16 – PROVISIONS

16.1 BREAKDOWN OF PROVISIONS

In thousands of euros		31.12.2016	Current	Non-current
Warranty provisions		19 440	14 933	4 507
Provisions for other risks		8 911	6 912	1 999
Sub-total		28 352	21 846	6 506
Post-employment benefits	Note 17	46 485	219	46 266
Total		**74 837**	**22 065**	**52 772**

In thousands of euros		31.12.2015	Current	Non-current
Warranty provisions		19 241	14 079	5 162
Provisions for other risks		10 264	7 428	2 836
Sub-total		29 505	21 508	7 998
Post-employment benefits	Note 17	43 159	262	42 897
Total		**72 664**	**21 770**	**50 894**

16.2 - CHANGES IN PROVISIONS – EXCLUDING POST-EMPLOYMENT BENEFITS

In thousands of euros	31.12.2015	Increases	Provisions applied	Provision reversed (unused)	Changes in consolidation scope and reclassifications	Currency translation differences	31.12.2016
Warranty provisions	19 241	12 769	-9 969	-2 265	-219	-116	19 440
Provisions for other risks	10 264	2 185	-1 730	-1 784	-201	178	8 911
Total	**29 505**	14 954	-11 699	-4 050	-420	61	**28 352**

WARRANTIES

Amounts recorded when creating or reversing provisions for warranties are included in “Cost of goods and services sold” in the income statement, as are the actual warranty expenses. This line item also includes provisions 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 at the reporting date of the risks incurred with respect to the litigation in process.

17 – POST-EMPLOYMENT BENEFITS

17.1 - DEFINITION

The defined benefit plans that result in the recognition of a provision relate to:

- Employee indemnities related to retirement or contract completion;
- Other long-term benefits such as long service awards;
- Pension schemes and other retirement benefits for certain employees;
- A supplementary pension scheme for certain management employees in the US;
- Medical insurance and post-employment life insurance.

These defined benefit plans are most often covered by funds disbursed to insurance companies, which are valued at their fair value at period-end.

The amount of such funds is deducted from the liability assessed in accordance with IAS 19 (Revised).

The characteristics of the main plans are as follows:

UNITED STATES – PENSION PLAN B

- Description: a "qualified" post-employment benefits plan which was closed to new members as of May 1, 2005 and frozen in terms of the acquisition of rights for all participants as of October 3, 2009. The benefits attributed are the greater of 1% of final salary multiplied by the number of years of service (capped at 35 years) or $22 per year of service;
- Plan risks: investment risk, life expectancy risk and interest rate risk;
- Investment strategy: a combination of 60% in equities and the remainder in fixed-income instruments. The aim of this strategy is to grow the plan assets faster than its liabilities and to fund the minimum contribution in accordance with US law (ERISA and the Internal Revenue Code).

UNITED STATES – SERP

- Description: a "non-qualified" post-employment benefits plan including a limited number of designated beneficiaries on the basis of individual agreements. One active employee is currently in the plan; all the other beneficiaries are former employees. The benefits granted under 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 as plan assets, the plan is funded via a Rabbi trust.

UNITED KINGDOM – PENSION

- Description: final salary-based scheme, frozen to new entrants and to the acquisition of new rights;
- Plan risks: investment risk, life expectancy risk and market risk;
- Investment strategy: a combination of 50% in a diversified fund, 25% in non-indexed government bonds and the remainder in corporate bonds denominated in GBP. The aim of this strategy is to provide a return sufficient to cover the 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 retirement calculated based on years of service and final salary. This plan complies with legal requirements;
- Plan risks: volatility of the benefit disbursement amounts depending on the effective retirement date;
- Investment strategy: insurance contract making the funds invested immediately available. Assets characterized by the low volatility of their yield.

ITALY – TFR

- Description: amount paid at the time of retirement calculated based on years of service and final salary. This plan complies with legal requirements and has been frozen since 2007;
- Plan risks: volatility of the benefit disbursement amounts depending on the effective departure date of employees hired before 2007;
- Investment strategy: no assets.

17.2 - VALUATION

17.2.1 - KEY ACTUARIAL ASSUMPTIONS USED

				31.12.2016
	France	United Kingdom	Italy	United States
Salary trends	3.90%	n/a	n/a	5.00%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	1.80%	2.60%	1.80%	3.85%

				31.12.2015
	France	United Kingdom	Italy	United States
Salary trends	4.00%	n/a	n/a	5.00%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	2.25%	3.80%	2.25%	4.05%

A change of -0.5% in the discount rate would have the following impact on the defined benefit obligation (DBO) and the supplemental cost (SC) of an additional year:

In thousands of euros	DBO	SC
Europe (inc. France)	2 453	226
United Kingdom	2 323	n/a
United States	3 099	9
Total	**7 875**	**235**

Salary increases are assumed for each country as the sum of inflation assumptions and forecasts of individual increases.

The turnover and mortality rates reflect the specific characteristics of each country and each company. The turnover rate used varies according to the age and status of the individuals concerned. As at December 31, 2016, the use of the RP-2016 mortality table published by the SOA (Society of Actuaries) in October 2016 to calculate commitments in the United States, generated an actuarial gain of €0.9 million, reported in other comprehensive income as an amount of €0.6 million after tax.

The rate used to discount liabilities is determined with reference to a market rate on the reporting date based on top-quality corporate bonds.

The healthcare inflation rate used was 7% as at December 31, 2016. A change of 1% in healthcare inflation would have zero impact on the actuarial liability (DBO), or on the cost of an additional year (SC).

The calculation of retirement benefits in France is based on voluntary departure by the employee, which implies that the commitment includes social security charges. The rates used for social security charges in assessing the commitment for 2016 are between 43 and 55%, depending on the entities and the occupational categories concerned.

The retirement age used to calculate retirement benefits and supplementary pension was determined in compliance with the applicable legislation in the countries concerned.

17.2.2 - BREAKDOWN OF PLAN ASSETS (AS A %)

The breakdown of plan assets as at December 31, 2016 was as follows:

			31.12.2016
	France	United Kingdom	United States
Shares	11.80%		47.17%
Bonds	79.30%	50.83%	21.39%
Other	8.90%	49.17%	31.44%
Total	**100.00%**	**100.00%**	**100.00%**

			31.12.2015
	France	United Kingdom	United States
Shares	11.00%		52.20%
Bonds	80.60%	50.85%	27.60%
Other	8.40%	49.15%	20.20%
Total	**100.00%**	**100.00%**	**100.00%**

17.2.3 - RECONCILIATION OF BALANCE SHEET ITEMS

The provision can be broken down by country as follows:

						31.12.2016
In thousands of euros	France Retirement indemnities	France Other	United Kingdom	United States	Other	Total
Present value of liability	21 940	1 024	19 349	60 679	959	103 950
Fair value of financial assets	5 176		15 512	36 777	0	57 465
Net assets (provisions) recognized in balance sheet	-16 764	-1 024	-3 836	-23 902	-959	**-46 485**
				Of which:	Provisions	-46 485
					Assets	0

						31.12.2015
In thousands of euros	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	**-43 095**
				Of which:	Provisions	-43 159
					Assets	64

17.2.4 - CHANGE IN COMMITMENTS AND PLAN ASSETS DURING THE YEAR

					31.12.2016
In thousands of euros	France	United Kingdom	United States	Other	Total
Commitment					
Beginning of period	20 786	17 141	60 237	969	99 132
Service costs	1 536		95		1 631
Discounting	499	577	2 320	37	3 433
Benefits paid	-661	-1 949	-4 621	-77	-7 308
Actuarial differences recognized in income statement					0
Liquidation/reduction and other					0
Past service costs					0
Additions to the scope of consolidation					0
Actuarial losses (gains) – experience and demographic assumptions	-494	1 334	-976		-136
Actuarial losses (gains) – financial assumptions	1 298	4 626	1 087	30	7 041
Other costs		275	635		910
Exchange rate adjustment		-2 655	1 902		-753
End of period	22 964	19 349	60 679	959	**103 950**

In thousands of euros	France	United Kingdom	United States	Other	31.12.2016 Total
Plan assets					
Beginning of period	5 632	17 204	33 201		56 037
Employer contributions		743	3 643		4 386
Benefits paid	-597	-1 949	-4 455		-7 001
Expected return on assets	125	600	1 337		2 062
Difference - Expected return/actual return on assets	16	1 403	1 843		3 262
Additions to the scope of consolidation					0
Liquidations					0
Other					
Exchange rate adjustment		-2 489	1 208		-1 281
End of period	5 176	15 512	36 777	0	**57 465**
Reconciliation of the provision					
Beginning of period	-15 154	64	-27 036	-969	-43 095
Expense for the year	-1 910	-252	-1 713	-37	-3 912
Employer contribution	0	743	3 643	0	4 386
Benefits paid	64	0	166	77	307
SORIE	-788	-4 557	1 732	-30	-3 643
Additions to the scope of consolidation					0
Other					
Exchange rate adjustment		166	-694		-528
End of period	-17 788	-3 836	-23 902	-959	**-46 485**

In thousands of euros	France	United Kingdom	United States	Other	31.12.2015 Total
Commitment					
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					
Liquidation/reduction					
Past service costs					
Additions to the scope of consolidation					
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		69	582		651
Exchange rate adjustment		948	6 627		7 576
End of period	20 786	17 141	60 237	969	**99 132**
Plan assets					
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 assets	136	637	1 304		2 077
Difference - Expected return/actual return on assets	46	-840	-2 963		-3 758
Additions to the scope of consolidation					
Liquidations					
Other					
Exchange rate adjustment		947	3 597		4 544
End of period	5 632	17 204	33 201		**56 037**
Reconciliation of the provision					
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 the scope of consolidation					
Other					
Exchange rate adjustment		-1	-3 030		-3 032
End of period	-15 154	64	-27 036	-969	**-43 095**

17.2.5 - BREAKDOWN OF EXPENSE FOR THE PERIOD

IAS 19 (Revised) In thousands of euros	France	United Kingdom	United States	Other	31.12.2016 Total
Adjustments to methodology					
Service costs	1 536		95		1 631
Discounting	499	577	2 320	37	3 433
Expected return on assets	-125	-600	-1 337		-2 062
Losses/gains recognized					0
Administrative expenses		275	635		910
Net expense	1 910	252	1 713	37	**3 912**

IAS 19 (Revised) In thousands of euros	France	United Kingdom	United States	Other	31.12.2015 Total
Adjustments to methodology					
Service costs	1 631	430	117	-32	2 146
Discounting	500	613	2 322	21	3 456
Expected return on assets	-136	-637	-1 304		-2 077
Losses/gains recognized					
Administrative expenses		69	582		651
Net expense	1 995	476	1 717	-11	**4 177**

18 – OTHER CURRENT LIABILITIES

In thousands of euros	31.12.2015	Reclassifications	Changes	Currency translation differences	31.12.2016
Supplier accounts payable and related	180 054	0	30 893	610	211 557
Tax and social security liabilities	58 406	6	4 456	-234	62 634
Other operating liabilities	19 473	420	2 553	1 966	24 411
Uninvoiced revenues	9 139		4 745	307	14 190
Other liabilities	87 018	426	11 754	2 038	101 235
Total current liabilities	**267 072**	**426**	**42 647**	**2 648**	**312 792**

As at December 31, 2015, the supplier accounts line item included a supplier credit of €11.8 million for the purchase of inventory of "previous generation" motors. This debt was settled at the rate at which the motors were used in the production cycle and was cleared at the end of 2016.

19 - INCOME TAXES

19.1 – CHANGE IN BALANCE SHEET POSITION

In thousands of euros	31.12.2015	Results	Payment	Currency translation differences	Other (1)	31.12.2016
Current taxes						
Assets	12 434					**4 260**
Liabilities	1 154					**2 563**
Total	11 488	**-18 784**	**9 050**	**151**		**1 697**
Deferred taxes						
Assets	21 938					**20 712**
Liabilities	213					**447**
Total	21 725	**-2 099**		**309**	**330**	**20 265**

(1) Other changes in current and deferred taxes can be broken down as follows:

In thousands of euros	2015	2016
Deferred taxes recorded as consolidated reserves – SORIE	-730	227
Deferred taxes recorded as consolidated reserves – Interest rate hedging instrument	-331	241
Carry back receivable transferred		
Other	-82	-138
Total	**-1 143**	**330**

The deferred taxes for entities within the French scope of consolidation include, for long-term differences, the incremental reduction in the tax rate adopted in the French Finance Law 2017 which will decrease it to 28% in 2020.

8. FINANCIAL STATEMENTS

19.2 - INCOME TAXES RECORDED IN THE INCOME STATEMENT

In thousands of euros	2015	2016
Current taxes	**-12 324**	**-18 784**
Deferred taxes for the period	-3 894	-2 412
Change in deferred tax rate	-456	56
Impairment losses (-) and capitalization of unrecognized losses (+)	- 245	257
Total deferred taxes	**-4 595**	**-2 099**
Total	**- 16 919**	**-20 883**

The tax expense recognized in the income statement comprises:

- current tax expense corresponds to the amount of income tax payable for the period to the different tax authorities. These amounts are calculated based on the tax rates and the tax rules applicable in the countries concerned.
- deferred tax expense is calculated using the method described in Note 1.20.

19.3 - RECONCILIATION OF THE FRENCH STATUTORY TAX RATE AND THE EFFECTIVE TAX RATE APPLIED TO CONSOLIDATED INCOME

In thousands of euros	2015	2016
Income before taxes on fully consolidated companies	46 737	61 503
Statutory tax rate in France	38,00%	34,43%
Theoretical tax expense for the full-year period	**- 17 760**	**-21 176**
Other taxes	- 2 130	2 598
Impairment of assets		
Permanent differences	1 131	-1 375
Increase/decrease in tax rates (current and deferred)	-456	56
Tax loss carryforwards capitalized (uncapitalized tax loss carryforwards)	- 245	257
Differences in foreign tax rates and other	2 541	-1 243
Total - Income taxes	**- 16 919**	**-20 883**

The rate used to calculate the theoretical tax rate is the rate applicable to Manitou BF, i.e. the statutory tax rate in France of 34.43%. This rate includes the standard income tax rate of 33.33% and the social contribution rate of 3.3%.

For fully consolidated companies, the main differences in foreign rates concern the following countries:

In thousands of euros	2016
Manitou Italia	400
Manitou UK	384
Manitou Vostock	278
Manitou Asia	170
Other countries	499
Total	**1732**

19.4 - BASIS FOR DEFERRED TAXES

Deferred taxes recognized arose from the following temporary differences:

In thousands of euros – Assets/(Liabilities)	Temporary differences as at 31.12.2015	Deferred taxes as at 31.12.2015	Temporary differences as at 31.12.2016	Deferred taxes as at 31.12.2016
Intangible assets			-115	-38
Tangible assets	-28 573	-9 806	-30 057	-9 772
Financing leases	-11 610	-2 725	-11 300	-2 148
Employee benefits	39 496	13 737	44 191	13 855
Provisions	26 204	8 904	35 588	11 928
Inventories & receivables	7 902	2 205	4 436	648
Miscellaneous	7 085	1 472	11 123	2 688
Sub-total	**40 504**	**13 787**	**53 866**	**17 161**
Tax credits		0		0
Tax loss carryforwards		7 938		3 104*
Total		**21 725**		**20 265**

* of which Manitou Americas (€2.8 million)

The change in tax loss carryforwards for the period was mainly related to the inclusion of losses from prior periods at Manitou BF in income for the period. Thus, at December 31, 2016, Manitou BF offset the full amount of its loss carryforwards against profits for 2016.

20 – BREAKDOWN OF SALES BY TYPE, DIVISION AND REGION

SALES BY TYPE AND DIVISION

In thousands of euros	Sales of goods	Sales of services	31.12.2016
MHA – Material Handling and Access	903 676		903 676
CEP – Compact Equipment Products	202 721		202 721
S&S – Services & Solutions	202 078	23 058	225 136
Total	**1 308 475**	**23 058**	**1 331 533**

In thousands of euros	Sales of goods	Sales of services	31.12.2015
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	220 524
Total	**1 266 763**	**20 394**	**1 287 157**

SALES BY REGION

In thousands of euros	Sales of goods	Sales of services	31.12.2016
Southern Europe	431 605	12 657	444 262
Northern Europe	493 440	2 454	495 894
Americas	261 222	1 979	263 201
APAM	122 208	5 968	128 176
Total	**1 308 475**	**23 058**	**1 331 533**

In thousands of euros	Sales of goods	Sales of services	31.12.2015
Southern Europe	357 266	12 459	369 725
Northern Europe	486 757	2 653	489 409
Americas	297 772	726	298 496
APAM	124 969	4 557	129 526
Total	**1 266 762**	**20 394**	**1 287 157**

The Group's customer base is very diverse, with the largest customer representing no more than 3% of total sales.

21 – OTHER NON-RECURRING INCOME AND EXPENSE

In thousands of euros	31.12.2015	31.12.2016
Staff costs associated with restructuring	-889	-520
Impairment of tangible and intangible assets	-257	
Sales of assets	44	
Net provisions for risks and contingencies	-2 256	-12
Other non-recurring income and expense	-16	-453
Total	**-3 374**	**-985**

In 2015, non-recurring income and expense for the period primarily comprised a provision for risks following commercial litigation and costs to finalize the implementation of the Group's new organizational structure.

In 2016, this line item mainly included restructuring costs.

22 – STATUTORY AUDITORS' FEES

	DELOITTE & ASSOCIÉS				RSM Ouest & members of the RSM International network				Other				Total	
	Amount		%		Amount		%		Amount		%		Amount	
In thousands of euros	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**
Audit														
– Statutory audits, certification of individual and consolidated financial statements														
- issuer	182	178	31%	30%	182	178	50%	55%					364	356
- fully consolidated subsidiaries	403	423	69%	70%	159	146	44%	45%	11		100%		573	569
– Services other than certification of financial statements														
- issuer														
- fully consolidated subsidiaries	2		0%		23		6%						25	
Sub-total	**588**	**601**	**100%**	**100%**	**364**	**324**	**100%**	**100%**	**11**		**100%**		**962**	**925**
Other services rendered by the network for fully consolidated subsidiaries														
Total	**588**	**601**			**364**	**324**			**11**				**962**	**925**

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 (*Autorité des marchés financiers*, the French financial markets authority) meets the provisions introduced by Decree No. 2008-1487 of December 30, 2008.

23 – EXPENSES FROM RECURRING OPERATIONS BY TYPE

In thousands of euros	**31.12.2015**	**31.12.2016**
Material purchases	-848 586	-875 501
Direct and indirect labor	-125 130	-131 286
Depreciation, amortization and impairment	-27 145	-24 243
Other	-83 169	-83 884
Cost of goods and services sold	**-1 084 030**	**-1 114 915**
External expenses	-51 516	-55 000
Personnel expenses	-84 108	-89 273
Net depreciation/amortization expenses (non-production)	-6 133	-5 246
Other	-847	3 550
Other expenses from recurring operations	**-142 604**	**-145 969**
Expenses from recurring operations by type	**-1 226 634**	**-1 260 884**

24 – BREAKDOWN OF PERSONNEL EXPENSES

In thousands of euros	**31.12.2015**	**31.12.2016**
Salaries, bonuses and indemnities	-139 047	-134 125
Profit-sharing	-8 117	-10 414
Employee benefits	-5 395	-5 856
Social charges and payroll taxes	-50 898	-54 142
Personnel expense excluding interim employees and rebilling	**-203 457**	**-204 538**
Interim & other	-7 251	-17 017
Total	**-210 708**	**-221 554**

25 – OTHER OPERATING INCOME AND EXPENSES

In thousands of euros	**31.12.2015**	**31.12.2016**
Disposal of assets	-14	105
Other income	1 226	1 176
Other expenses	-2 126	-1 860
Net increase in provisions	555	1 341
Total	**-358**	**763**

Other operating income and expenses include product litigation, insurance reimbursements and income related to real estate rentals.

26 – FINANCIAL INCOME/EXPENSE

In thousands of euros	**31.12.2015**	**31.12.2016**
Income from investments	1 649	2 073
Interest rate swaps	2	
Fair value adjustment		
Exchange gains	9 220	19 768
Other financial income	294	36
Total financial income	**11 166**	**21 878**
Interest expense on bank loans and lines of credit	-5 851	-6 996
Interest rate swaps	-150	-261
Exchange losses	-13 503	-20 178
Other financial expenses	-2 075	-2 603
Total financial expenses	**-21 578**	**-30 039**
Net financial income/expense	**-10 412**	**-8 161**

Financial income/expense for the period improved due to the favorable trends in exchange rates.

27 – 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. In 2016, these expenses amounted to €18.3 million, compared to €20.6 million in 2015.

28 – OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	**31.12.2015**	**31.12.2016**
Sureties, deposits and collateral	5 520	2 463
Financial commitments (including forward sales)	56 558	65 644
Equipment repurchase commitments*	1 692	1 958
Other commitments	30	30
Total	**63 800**	**70 095**

*Equipment repurchase commitments valued at contractually defined repurchase amounts. It should be noted that the market value of this equipment generally exceeds the repurchase value.

29 – RISK MANAGEMENT

The Manitou Group's risk management policy is set out in the paragraph of the Management Report entitled, "Information on risk management".

30 – HEADCOUNT AT DECEMBER 31

	2015	2016
Manitou BF SA	1 771	1 817
Manitou Global Services (formerly Compagnie Française de Manutention)	64	24
CFM - Ile de France	0	41
LMH Solutions	33	37
Manitou Italia Srl.	261	260
Manitou Portugal SA	35	34
Manitou Manutencion Espana SL	12	17
Southern Europe	**2 176**	**2 230**
Manitou UK Ltd.	41	41
Manitou Benelux SA	20	21
MILE	6	7
Manitou Deutschland GmbH	30	34
Manitou Vostok	27	27
Manitou Polska	15	14
Manitou Nordics	5	5
Northern Europe	**144**	**149**
Manitou Americas	714	714
Manitou Brasil	12	16
Americas	**726**	**730**
Manitou Southern Africa Pty Ltd.	74	88
Manitou Australia Pty Ltd.	16	16
Manitou Asia Pte Ltd.	37	41
Manitou China	22	21
Manitou South Asia	15	16
Manitou Middle East	2	3
Manitou Malaysia MH	2	7
APAM	**168**	**192**
Group Total	**3 214**	**3 301**

31 – RELATED PARTY TRANSACTIONS

31.1 - TRANSACTIONS WITH GROUP COMPANIES CONSOLIDATED USING THE EQUITY METHOD

		31.12.2015		31.12.2016
In thousands of euros	Expense	Income	Expense	Income
Manitou Finance France SAS	1 278	73	1 335	1 201
Manitou Finance Ltd	1 475	133 987	1 361	91 138
Algomat		2 808		1 202
Hangzhou Manitou Machinery Equipment Co Ltd		198	11	42

31.2 - TRANSACTIONS WITH INDIVIDUALS

			2015			2016
In thousands of euros	Interest for 2015	Balance at December 31, 2015	Purchase price 2015	Interest for 2016	Balance at December 31, 2016	Purchase price 2016
Current accounts with associates:						
Mr. Marcel Braud	110	6 067		122	6 074	
Ms. Jacqueline Himsworth	2	148		3	234	
Purchases of share investments:						
Not applicable						

31.3 - EXECUTIVE COMPENSATION AND OTHER BENEFITS

Total amount of compensation and benefits in kind paid to executives:

							2016
In thousands of euros	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions for commitments
Non-executive corporate officers	144	441					
Executive corporate officers		733					444
Executive Committee members who are not corporate officers	2 145						2 810

							2015
In thousands of euros	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions for commitments
Non-executive corporate officers	144	447					
Executive corporate officers		655			na		326
Executive Committee members who are not corporate officers	1 711				na		2 428

32 – LIST OF SUBSIDIARIES AND AFFILIATES

Parent company				
Manitou BF SA	Ancenis, France			

Integrated companies		Consolidation method	% control	% interest
Manitou Americas Inc.	West Bend, Wisconsin, United States	FC	100%	100%
Gehl Power Products, Inc	Yankton, South-Dakota, United States	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 Ile-de-France	Herblay, France	FC	100%	100%
Manitou Global Services (formerly Compagnie Française de Manutention)	Ancenis, France	FC	100%	100%
LMH Solutions SAS	Beaupréau-en-Mauges, France	FC	100%	100%
Manitou Développement*	Ancenis, France	FC	100%	100%
Cobra MS*	Ancenis, France	FC	100%	100%
Manitou Italia Srl	Castelfranco Emilia, Italie	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 Sl	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.	Johannesburg, 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	Kuala Lumpur, Malaysia	FC	100%	100%
Manitou Finance France SAS	Puteaux, France	EM	49%	49%
Manitou Finance Ltd.	Basingstoke, United Kingdom	EM	49%	49%
Hangzhou Manitou Machinery Equipment Co Ltd.	Hangzhou, China	EM	50%	50%

*FC: Full consolidation EM: Consolidated using the equity method *companies with no activity*

33 - POST-CLOSING EVENTS

On March 27, 2017, the Manitou Group announced the acquisition of Terex Equipment Private Limited (TEPL), based in Greater Noïda, India. The acquisition, from Terex Corporation, will be finalized in the first half of 2017. TEPL is specialized in the design, manufacture and distribution of construction equipment, primarily backhoe loaders and skidsteers, and generated sales of €30 million in 2016, mainly on the Indian subcontinent. Manitou is building on this acquisition to confirm its ambitions in the handling equipment market in India and more broadly, in Asia and the emerging markets.

8.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2016

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 2016, 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 2016 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.

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 on these items provided in the notes to the consolidated financial statements and, particularly, the valuation and impairment methods for non-current assets (notes 1.7, 1.10 and 7 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 16.2 to the consolidated financial statements disclose the fact that your Group sets aside provisions with respect to customer guarantees and campaigns. In particular, our work consisted in assessing the information and assumptions determined by Management on which such accounting estimates are based, reviewing, on a test basis, the Group's calculations and comparing the accounting estimates of prior periods with the corresponding actual data.

- Notes 1.20 and 19 to the consolidated financial statements outline the deferred tax recognition methods and the impact on the 2016 financial statements of the deferred taxes capitalised in connection with NOL carryforwards. Our procedures consisted in verifying that the recognition criteria were satisfactory, assessing the information and assumptions relating to forecast taxable income and the use of the loss carryforwards on which this capitalisation is based. 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 Saint-Herblain, April 14, 2017

The Statutory Auditors

French original signed by

RSM Ouest	Deloitte & Associés
Jean-Michel Picaud	Emmanuel Gadret

8.3 PARENT COMPANY FINANCIAL STATEMENTS

8.3.1 INCOME STATEMENT

In thousands of euros	Notes	31.12.2015	31.12.2016
Sales (1):			
Sales of merchandise		265 522	294 879
Production sold (goods)		602 527	647 518
Production sold (services)		7 003	8 207
Sales	Note 18	875 052	950 604
Inventoried and capitalized production		-4 875	42 079
Reversals of provisions and amortization, expense transfers	Note 19	25 719	18 114
Other income		2 917	856
Total		**898 813**	**1 011 653**
Operating expenses (2):			
Purchases and changes in inventories		605 971	694 959
Other purchases and external expenses		102 717	119 767
Taxes and related		9 793	10 309
Salaries and social charges		110 759	115 297
Amortization and impairment		23 005	24 845
Net increase in provisions		11 581	6 567
Other expenses		979	1 239
Total		**864 805**	**972 983**
OPERATING PROFIT		**34 008**	**38 670**
Financial income (3)		55 980	54 039
Financial expense (4)		32 923	37 134
NET FINANCIAL INCOME/EXPENSE	Note 20	**23 057**	**16 905**
RECURRING INCOME BEFORE TAXES		**57 065**	**55 575**
Non-recurring income		11 970	8 501
Non-recurring expense		5 778	2 672
NON-RECURRING INCOME/EXPENSE	Note 21	**6 192**	**5 829**
Employee profit-sharing			
Income taxes	Note 22	2 443	7 062
NET INCOME		**60 814**	**54 342**

(1) Of which sales related to prior periods		
(2) Of which expenses related to prior periods		
(3) Of which income from affiliates	27 675	14 235
(4) Of which expenses from affiliates	931	940

8.3.2 CASH FLOW STATEMENT

In thousands of euros	31.12.2015	31.12.2016
NET INCOME	**60 814**	**54 342**
Less: Non-cash and non-operating expenses		
+ Amortization, write-offs and provisions (1)	19 122	17 975
- Reversals of amortization, write-offs and provisions (1)	-13 830	-13 611
- Proceeds from disposals of assets	-941	-361
+ Net value of asset disposals	541	163
- Investment subsidies included in income	-14	-13
+/- Other non-cash income and expenses	853	0
CASH FLOW	**66 545**	**58 495**
Changes in cash flow from operating receivables		
+/- Changes in inventories	25 487	-21 666
+/- Changes in accounts receivable	5 245	581
+/- Changes in other receivables	-3 913	-11 859
+/- Changes in accounts payable	219	23 345
+/- Changes in other payables	-2 185	18 191
CASH FLOW FROM OPERATIONS	**91 398**	**67 087**
Changes in cash flow from investing activities		
+ Disposals of intangible and tangible assets	941	228
+ Sales of financial assets	0	133
- Purchases of intangible and tangible assets	-18 508	-23 809
- Purchases of financial assets	-10 035	-3 894
+/- Changes in supplier payables on assets	-1 320	1 897
+/- Cash flow related to mergers	0	0
CASH FLOW FROM INVESTING ACTIVITIES	**-28 922**	**-25 445**
Changes in cash flow from financing activities		
+ Capital increase	39	72
- Capital reduction	0	0
+ Carryback receivable transferred	0	0
- Dividends paid	-13 735	-14 132
+ Increases in borrowings	40 583	45 644
- Repayments of borrowings	-30 838	-61 583
+/- Changes in subscribed capital called but not paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES	**-3 951**	**-29 999**
Cash and cash equivalents – opening balance	-5 007	53 518
Cash and cash equivalents – closing balance	53 518	65 161
CHANGE IN CASH AND CASH EQUIVALENTS	**58 525**	**11 643**

(1) Excluding current assets

8.3.3 BALANCE SHEET

ASSETS

		31.12.2015	31.12.2016		
In thousands of euros	Notes	Net amount	Gross amount	Amortization and impairment	Net amount
NON-CURRENT ASSETS					
INTANGIBLE ASSETS (1)	Note 2	14 191	71 333	53 625	17 708
TANGIBLE ASSETS	Note 3	53 859	229 427	171 583	57 844
FINANCIAL ASSETS (2)	Note 4	361 104	377 135	1 735	375 400
		429 154	**677 895**	**226 943**	**450 952**
CURRENT ASSETS					
INVENTORIES & WORK IN PROCESS	Note 6	185 850	219 443	11 927	207 516
PREPAYMENTS AND ADVANCES TO SUPPLIERS		28	40		40
RECEIVABLES FROM OPERATIONS (3)	Note 7	221 579	232 656	392	232 264
CASH AND MARKETABLE SECURITIES	Note 9	56 663	69 604	22	69 582
ACCRUALS	Note 15	2 484	3 532		3 532
		466 604	**525 275**	**12 341**	**512 934**
CURRENCY TRANSLATION DIFFERENCES ON ASSETS	Note 16	2 164	3 779		3 779
TOTAL ASSETS		**897 922**	**1 206 949**	**239 284**	**967 665**
(1) Of which leasehold rights		0			0
(2) Of which less than one year		1 913			2018
(3) Of which more than one year		0			0

LIABILITIES

		31.12.2015	31.12.2016
In thousands of euros	Notes	Net amount	Net amount
SHAREHOLDERS' EQUITY	Note 10		
Share capital	Note 10	39 552	39 558
Paid-in above par value, merger premiums, contributions, etc.		43 703	43 770
Valuation differences	Note 17	908	908
Retained earnings and reserves		336 216	382 899
Income for the period		60 814	54 342
Investment subsidies		99	86
Regulated provisions		12 032	10 653
		493 324	**532 216**
PROVISIONS FOR RISKS AND CONTINGENCIES	Note 11	27 026	31 190
DEBT (1)			
FINANCIAL DEBTS (2)	Note 12	165 964	159 068
DEBT RELATED TO OPERATING ACTIVITIES	Note 12		
Supplier accounts payable and related		139 095	162 440
Tax and social security liabilities		39 245	42 779
Other operating liabilities		20 948	23 914
OTHER DEBT	Note 12	6 244	4 858
ACCRUALS	Note 15	3 864	6 105
		375 360	**399 165**
Currency translation differences on liabilities	Note 16	**2 212**	**5 094**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**897 922**	**967 665**
(1) Of which more than one year		107 200	53 421
Of which less than one year		268 160	345 744
(2) Of which short-term bank overdrafts and credit balances		3 146	4 421
(3) Of which equity loans		0	0
(4) Of which change in change in equity method valuation		0	0

8.3.4 NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF is a French corporation (*société anonyme*) with a Board of Directors under French law with capital of €39,557,449 consisting of 39,557,449 shares with a par value of €1 per share.

The company's headquarters address, which is also the main production site, is:

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

The Company is registered in the Nantes Trade and Companies Register under the following number: 857 802 508 RCS Nantes - SIRET [business and location identifier]: 857 802 508 00047 - Code APE [former standard industrial classification]: 292D - Code NAF [standard industrial classification]: 2822Z.

FINANCIAL INFORMATION RELATED TO THE APPROVAL OF THE FINANCIAL STATEMENTS

Manitou BF's consolidated financial statements were approved by the Board of Directors on March 1, 2017.

COMMENTS ON THE NOTES TO THE BALANCE SHEET

The notes to the balance sheet before distribution of dividends show the following:

The balance sheet for the period shows a total of €967,665 thousand.

The income statement reports:
- total income of €1,074,193 thousand
- total expenses of €1,019,851 thousand
- income of €54,342 thousand.

The period began on January 1, 2016 and ended on December 31, 2016, spanning 12 months.

The notes (or tables) below are an integral part of the annual financial statements.

HIGHLIGHTS OF THE PERIOD

FINANCING

In December 2016, Manitou BF finalized the amendment and extension of its line of credit contracted in June 2013 for a further amount of €180 million, with a new maturity of five years and the option to extend for another two years.

This financing consists solely of a multi-currency RCF (Revolving Credit Facility) of €180 million and supplements the various long-term bond facilities of €50 million established in previous years.

SHARE INVESTMENTS

The Group also disposed of its share investment in Algomat (Algeria), over which it exercised significant influence. This transaction has no impact on Manitou BF's performance.

NOTE 1 - ACCOUNTING PRINCIPLES

NOTE 1.1 - GENERAL PRINCIPLES

The balance sheet and the income statement are prepared in accordance with French legislation and generally accepted accounting methods in France.

The base method used for financial statement items is the historical cost method.

A number of points that could have a material impact are described in detail below.

NOTE 1.2 - CHANGES IN ACCOUNTING METHODS

There were no changes in accounting methods during the period.

NOTE 1.3 - CAPITALIZED ASSETS

DEVELOPMENT EXPENSES

In compliance with Article 212-3-2 of French accounting authority (ANC) Regulation No. 2014-03, the development expenses incurred by the company in 2016 relating to clearly defined projects likely to be completed and marketed profitably were capitalized, as the capitalization requirements specified by the French accounting regulations had been fulfilled. As it is a recommended method, the company made the decision in 2005 to apply this accounting treatment.

All research expenses and 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 implementation of various projects, for the portion related to the detailed design of these projects and to programming, testing, and documentation.

Costs recorded during the preliminary study phase, the functional analysis phase and user training are recognized as expenses.

DEPRECIATION OF FIXED ASSETS

In accordance with ANC regulation No. 2014-03, the accounting methods relating to tangible and intangible assets (excluding development expenses) 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 the various asset categories and calculated using the straight-line method.
- The main depreciation periods are as follows:

- goodwill: 5 years;
- patents: 5 years;
- software: 3 years and 7 years for the integrated information system (ERP);
- development costs: 5 years;
- buildings: between 20 and 30 years depending on the construction quality;
- 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;
- transport equipment: 4 years for passenger cars, 5 years for large commercial vehicles;
- office and IT equipment: between 3 and 5 years depending on the type of equipment;
- office furniture: 10 years.

The difference between tax depreciation calculated using the declining balance method and straight-line depreciation based on the estimated useful life is recorded in regulated provisions (special depreciation allowances). For development expenses, special amortization allowances s recognized as of the date the asset is capitalized, as provided by law.

IMPAIRMENT OF ASSETS

Tangible and intangible assets must be tested for impairment whenever there is an indication of impairment.

When an indication of impairment exists, an impairment test is conducted: the carrying amount is determined with reference to the market and to the utility of the asset to the company, which depends on its fair value and its value in use.

NOTE 1.4 - SHARE INVESTMENTS

In order to report its shareholders' equity on a comparable basis for both the corporate and the consolidated financial statements, the company chose, as of year-end 1990, to value shares in wholly controlled companies using the portion of shareholders' equity owned, as determined using the rules of consolidation, in accordance with Article 3 of the French Law of January 3, 1985 and Article 11 of the Decree of February 17, 1986.

In accordance with Article 221-4 of ANC regulation No. 2014-03, if, at year-end, the aggregate value of securities valued using the equity method is less than their purchase price, the aggregate value of the portfolio is reduced accordingly. A provision for overall portfolio risk is also created if the aggregate value using the equity value is negative.

Acquisition costs are capitalized. In accordance with the applicable tax laws, such acquisition costs are amortized over 5 years on a straight-line basis.

NOTE 1.5 - TREASURY SHARES

Treasury shares are recorded in "Marketable securities" when such securities are intended to cover stock option plans and share awards and in "Other financial assets" in other cases.

For plans deemed to be exercisable (where the the market value of the share is greater 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 falls below their purchase price, an impairment loss is recorded for the difference. No impairment loss 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). Such shares are relevant to the calculation of liabilities, determined as described below.

In accordance with Articles 624-2 to 624-18 of ANC Regulation No. 2014-03, expenses relating to option plans and performance share awards pertaining to Manitou BF shares are spread over the employees' vesting period, on a straight-line basis. They are recognized in the income statement under "Salaries and social charges" against a balance sheet expense provision.

For purchase option plans, these expenses correspond to the difference between the portfolio value, net of impairment, of the shares allocated to such plans, and the corresponding exercise price, if lower. For performance share plans, they amount to the portfolio value of the shares granted.

NOTE 1.6 - INVENTORIES

VALUATION

- Merchandise: valued at the weighted average purchase price;
- Raw materials: valued at the weighted average purchase price;
- Semi-finished products, work in process and finished products: valued at the cost of production (raw materials, equipment and labor at actual cost).

WRITE-DOWNS FOR IMPAIRMENT

- Merchandise: as in previous years, merchandise was subject to write-downs for impairment calculated statistically based on inventory turnover and probable losses from impairment;
- Raw materials: the same method as for merchandise is used, i.e. low-turnover items are subject to a write-down for impairment;
- Finished products: equipment is subject to a component-by-component analysis, the equipment in question being used or demonstration equipment in storage or with a low turnover. The rate of write-downs for impairment is 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 their recoverable value, appraised on a case-by-case basis, is estimated to be less than their accounting value.

NOTE 1.8 - PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions are created for risks and contingencies when the company has a liability to a third party and it is probable or certain that it will face an outflow of resources to the said third party, without consideration.

Such provisions are estimated taking into account the best-estimate assumptions as of the reporting date.

NOTE 1.9 - RETIREMENT BENEFIT COMMITMENTS

The liability is calculated in accordance with IAS 19 (Revised) as authorized by ANC Recommendation 2013-02 of November 7, 2013. The method used is the projected unit credit method, sometimes known as the "project benefits method prorated on years of service".

Retirement benefit commitments are assessed taking demographic and economic assumptions into account. They are discounted to their present value using a discount rate based on the interest rates for the highest-quality bonds. The various categories of defined benefit plans in place within Manitou BF and the main assumptions used are set out in Note 11 to the consolidated financial statements.

NOTE 1.10 - LONG-SERVICE AWARDS

The liability was calculated in the same way as for the previous period, in accordance with CNC (French accounting authority) Recommendation 2003-R-01 of 01.04.2003 which reproduces the terms of IAS 19.

NOTE 1.11 - TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT

Manitou BF credited €2.7 million of tax income to personnel expenses for the period, under the CICE (the French tax credit for competitiveness and employment). Its purpose is to finance improvements in companies' competitiveness and to this end, the company uses it to finance efforts in regard to investment, research, innovation, training, hiring, prospecting new markets, the ecological and energy transition, and reconstitution of working capital.

NOTE 1.12 - FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions are valued at the exchange rate on the date of the transaction. Receivables and payables are translated at the exchange rate on the reporting date. The difference resulting from the translation of foreign currency payables and receivables at the rate on the reporting date is recorded in the balance sheet as currency translation differences. Unrealized exchange losses that are not hedged are subject to a provision for risk.

NOTE 2 – INTANGIBLE ASSETS

In thousands of euros	31.12.2015	Purchases	Transfers between line items	Disposals	Gross amounts 31.12.2016
Research and development expenses	25 033		3 645		28 678
Concessions, patents and licenses	31 105	656	2 409		34 170
Goodwill	1 708				1 708
Other intangible assets	0				0
Intangible assets in process	4 418	8 402	- 6 043		6 677
Prepayments and advances	0				0
Total	**62 264**	**9 058**	**11**		**71 333**

In thousands of euros	31.12.2015	Increases	Other decreases	Depreciation 31.12.2016
Research and development expenses	19 270	3 197		22 467
Concessions, patents and licenses	27 239	2 355		29 594
Goodwill	1 564			1 564
Other intangible assets	0			0
Intangible assets in process	0			0
Prepayments and advances	0			0
Total	**48 073**	**5 552**		**53 625**

In thousands of euros	31.12.2015	Net amounts 31.12.2016
Research and development expenses	5 763	6 211
Concessions, patents and licenses	3 866	4 576
Goodwill	144	144
Other intangible assets	0	0
Intangible assets in process	4 418	6 777
Prepayments and advances	0	0
Total	**14 191**	**17 708**

RESEARCH AND DEVELOPMENT EXPENSES

Development expenses amounted to €27,827 thousand at December 31, 2015, split between projects in process (€2,794 thousand) and completed projects (€25,033 thousand).

Development expenses incurred directly by the company and capitalized in 2016 amounted to €5,307 thousand, making a total of €33,134 thousand in capitalized expenses at December 31, 2016. This amount was split between projects in process (€4,455 thousand) and completed projects (€28,679 thousand).

All research costs and the costs of studies and development other than those described above were expensed in 2016 for an amount of €5,593 thousand, as compared to €9,141 thousand in 2015.

NOTE 3 TANGIBLE ASSETS

In thousands of euros	31.12.2015	Purchases	Transfers between line items	Disposals	Gross amounts 31.12.2016
Land	12 699	1 012	82		13 793
Buildings	41 840	114	476		42 430
Installations, improvements and fixtures	36 414	910	1 567	100	38 791
Technical installations and industrial equipment	109 553	3 427	2 759	2 690	113 049
Other tangible assets	15 688	806	10	398	16 106
Tangible assets in process	1 682	8 482	-4 906		5 258
Total	**217 876**	**14 751**	**-12**	**3 188**	**229 427**

In thousands of euros	31.12.2015	Increases	Other decreases	Depreciation 31.12.2016
Land	5 589	411		6 000
Buildings	25 415	1 870		27 285
Installations, improvements and fixtures	25 041	2 105	94	27 052
Technical installations and industrial equipment	94 569	5 163	2 610	97 122
Other tangible assets	13 403	1 117	396	14 124
Total	**164 017**	**10 666**	**3 100**	**171 583**

In thousands of euros	31.12.2015	Net amounts 31.12.2016
Land	7 110	7 793
Buildings	16 425	15 145
Installations, improvements and fixtures	11 373	11 739
Technical installations and industrial equipment	14 984	15 927
Other tangible assets	2 285	1 982
Tangible assets in process	1 682	5 258
Total	**53 859**	**57 844**

Investments in 2016 mainly related to land and building improvements on the different production sites for €4,251 thousand, a machining center and two welding robots for €1,592 thousand, tooling for €7,687 thousand (including €3,083 thousand for the development of new machinery), and IT and office equipment for €1,210 thousand.

NOTE 4 – FINANCIAL ASSETS

In thousands of euros	31.12.2015	Revaluation	Purchases	Transfers between line items	Decreases	Gross amounts 31.12.2016
Share investments (2)	18 998		6		74	18 930
Receivables from affiliates	5 668				729	4 939
Investments accounted for using the equity method (1)	347 565		4 510			352 075
Loans	5		18		4	19
Other financial assets	1 078		94			1 172
Total	**373 314**	**0**	**4 628**		**807**	**377 135**

(2) On April 27, 2016, Manitou BF disposed of all its shares in ALGOMAT, based in Algeria.

(1) Information on investments in affiliates (changes in 2016)

Companies	31.12.2015	Acquisitions in 2016	Transfers between line items	Disposals	31.12.2016
Manitou Global Services (formerly CFM).	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	2 510	2 500			5 010
Manitou Polska	53				53
Manitou Americas	278 973				278 973
Manitou Interface and Logistics Europe	495				495
Manitou South Asia	636				636
Manitou Brasil Manipulacao de Cargas	2 070	2 000			4 070
Manitou Nordics	244				244
Manitou Middle East	212				212
Manitou Malaysia	400				400
Manitou Chile	20				20
LMH Solutions	3 000				3 000
Manitou Developpement		10			10
Total	347 565	4 510			**352 075**

Manitou BF subscribed to the capital increase of the Manitou Vostok and Manitou Brasil subsidiaries, in the amounts of €2,500 thousand and €2,000 thousand respectively.

In thousands of euros	31.12.2015	Increases	Reversals	Impairment 31.12.2016
Investments accounted for using the equity method (1)	12 210	0	10 475	1 735
Other investments	0	0	0	0
Other financial assets	0	0	0	0
Total	**12 210**	**0**	**1 0 475**	**1 735**

(1) At the end of the period, the total value of securities valued using the equity method was less than their purchase price. In accordance with Article 332-4 of the PCG (French legal accounting guidelines), a reversal of €10,475 thousand was recorded for 2016, taking the total amount of the provision as at December 31, 2016 to €1,735 thousand.

NOTE 5 – INVESTMENTS VALUED USING THE EQUITY METHOD (IN THOUSANDS OF EUROS)

				31.12.2015				31.12.2016
Companies	% held	Accounting value (acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)	% held	Accounting value (acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)
Manitou Global Services (formerly CFM)	100,00%	1 716	11 173	9 457	100,00%	1 716	12 360	10 644
Manitou UK	99,42%	598	8 553	7 955	99,42%	598	5 862	5 264
Manitou Italia	100,00%	34 460	76 161	41 701	100,00%	34 460	74 754	40 294
Manitou Benelux	99,99%	713	3 684	2 971	99,99%	713	3 934	3 221
Manitou Asia	100,00%	1 310	7 170	5 860	100,00%	1 310	8 118	6 808
Manitou Portugal	100,00%	2 963	6 874	3 911	100,00%	2 963	7 724	4 761
Manitou Deutschland	100,00%	8 712	2 898	-5 814	100,00%	8 712	3 332	- 5 380
Manitou Southern Africa	100,00%	2 219	13 539	11 320	100,00%	2 219	15 713	13 494
Manitou Australia	86,00%	358	5 068	4 710	86,00%	358	6 465	6 107
Manitou Hangzhou Material Handling	100,00%	5 705	2 380	-3 325	100,00%	5 705	2 338	- 3 367
Manitou Manutencion Espana	100,00%	200	634	434	100,00%	200	910	710
Manitou Vostok	100,00%	2 510	305	-2 205	100,00%	5 010	5 037	27
Manitou Polska	100,00%	53	265	212	100,00%	53	301	248
Manitou Americas	100,00%	278 973	191 965	-87 008	100,00%	278 973	197 832	-81 141
Manitou Interface and Logistics Europe	99,00%	495	1 008	513	99,00%	495	1 103	608
Manitou South Asia	100,00%	637	865	228	100,00%	637	1 057	420
Manitou Brasil Manipulacao de Cargas	99,83%	2 070	-561	-2 631	99,96%	4 070	412	- 3 658
Manitou Nordics	100,00%	244	313	69	100,00%	244	336	92
Manitou Middle East	100,00%	211	279	68	100,00%	211	293	82
Manitou Malaysia	100,00%	400	370	-30	100,00%	400	328	-72
Manitou Chile	100,00%	20	19	-1	100,00%	20	21	1
LMH Solutions	100,00%	3 000	2 393	-607	100,00%	3 000	2 100	- 900
Manitou Developpement					100,00%	10	10	0
Total		**347 565**	**335 355**	**-12 210**		**352 075**	**350 340**	**- 1735**

NOTE 6 – INVENTORIES

In thousands of euros	Gross value	Impairment	31.12.2015 Net	Gross value	Impairment	31.12.2016 Net
Raw materials	82 663	1 894	80 769	61 417	1 766	59 651
Work in process	13 868		13 868	20 529		20 529
Finished products	51 287	1 189	50 098	79 889	1 304	78 585
Merchandise	49 882	8 767	41 115	57 608	8 857	48 751
Total	**197 700**	**11 850**	**185 850**	**219 443**	**11 927**	**207 516**

NOTE 7 – RECEIVABLES FROM OPERATIONS

		Gross amounts			Provisions	
In thousands of euros	31.12.2015	Changes in 2016	31.12.2016	31.12.2015	Changes in 2016	31.12.2016
Accounts receivable and related	166 665	-1 118	165 547	929	-537	392
Other receivables	6 195	15 681	21 876	0		0
Misc. receivables	49 648	- 4 457	45 191	0		0
Capital subscribed but not yet paid	0	42	42	0		0
Total	**222 508**	**10 148**	**232 656**	**929**	**-537**	**392**

In thousands of euros	31.12.2015	Net amounts 31.12.2016
Accounts receivable and related (1)	165 736	165 155
Other receivables	6 195	21 876
Misc. receivables	49 648	45 191
Capital subscribed but not yet paid	0	42
Total	**221 579**	**232 264**
(1) Including bills of exchange	869	291

NOTE 8 – AGING OF RECEIVABLES

In thousands of euros	Gross value	Less than 1 year	1 to 5 years	Over 5 years
On fixed assets				
Receivables from affiliates (1)	4 939	829	3 131	979
Loans	19	19		
Other financial assets	1 171	1 171		
On current assets				
Doubtful or disputed accounts receivable	227	227		
Other accounts receivable	165 320	165 320		
Employee and related accounts	21	21		
Social Security and other social organizations	41	41		
Income tax	3 224	3 224		
Value-added tax	14 663	14 663		
Miscellaneous	21	21		
Group and associates	41 630	41 630		
Misc. debtors	7 509	7 509		
Prepaid expenses	3 532	3 532		
Total	**242 317**	**238 207**	**3 131**	**979**
(1) Loans granted during the period	18			
(1) Loans repaid during the period	733			

NOTE 9 – CASH AND MARKETABLE SECURITIES

Marketable securities were valued at their market price on December 31.

SICAV money market instruments were subject to a "bought-sold" on that date and the interest accrued on other investments was recorded at the end of the full-year period.

In thousands of euros	2015	2016
SICAV money market instruments (valued at the market price on 31.12.2016, purchase price on that date)	43400	95
Shares of listed company	550	0
Provision for impairment of shares	-258	0
Treasury shares (1)	8 592	23 445
Provision for impairment of treasury shares (1)	-4791	0
TOTAL MARKETABLE SECURITIES	**47 493**	**23 540**
Cash and cash equivalents	9 170	46 042
TOTAL MARKETABLE SECURITIES & CASH AT BANK	**56 663**	**69 582**

(1) Treasury shares

In July 2016, Manitou BF bought back 1,120,000 treasury shares held by Toyota.

In parallel, 5,737 free shares were granted to employees of subsidiaries. As at December 31, 2016, the treasury shares held by the company to cover stock options (1,381,461 shares) were reported as marketable securities at the purchase price value of €23,445 thousand, i.e. an average price per share of €16.97.

As at December 31, 2016, the average market value per share for December was €18.40 for exercise prices between €30.95 and €39.80. The plans were therefore considered to be unexercisable.

As a result, since the market value on December 31, 2016 was greater than the average purchase price, the provision for impairment as of December 31, 2015 was reversed in full in 2016, in the amount of €4,791 thousand.

This reversal was recognized as non-recurring income.

NOTE 10 – SHAREHOLDERS' EQUITY

NOTE 10.1 - CHANGES IN SHAREHOLDERS' EQUITY

In thousands of euros	Share capital	Share premiums	Valuation differences	Statutory reserve	Other reserves	Retained earnings	Income for the period	Grants and regulated provisions	Total equity
31.12.2015	**39 552**	**43 703**	**908**	**3 955**	**315 338**	**16 923**	**60 814**	**12 131**	**493 324**
Capital increase	6	67							73
2015 income						46 682	- 46 682		0
Dividends							-14 132		-14 132
2016 income							54 342		54 342
Impact of changes in the value of associates (equity method)									0
Change in investment subsidies								-13	-13
Change in price increase allowance									0
Change in special depreciation allowances for the year								-4 665	-4 665
31.12.2016	**39 558**	**43 770**	**908**	**3 955**	**315 338**	**63 605**	**54 342**	**10 740**	**532 216**

NOTE 10.2 – BREAKDOWN OF SHARE CAPITAL

	Par value per share	Shares outstanding	Amount
Composition of capital at the start of the year	€1.00	39 551 949	€39,551,949
Capital increase	€1.00		
Share subscription options	€1.00	5 500	€5,500
CAPITAL AS AT 31.12.2016	**€1.00**	**39 557 449**	**€39,557,449**

NOTE 11 – PROVISIONS

		Increases	Reversals		
In thousands of euros	**31.12.2015**	Created	Applied	Reversed	**31.12.2016**
Regulated provisions					
Provision for price increases	0				0
Accelerated depreciation	12 032	1 758	3 137		10 653
Other regulated provisions	0				0
Total	**12 032**	**1 758**	**3 137**	**0**	**10 653**
Provisions for risks and contingencies					
Litigation	2 437	699	129	1 418	1 589
Customer warranties (1)	8 254	5 322	3 995	816	8 765
Exchange losses	1 697	3 778	1 697		3 778
Pensions and related liabilities (2)	917	99		38	978
Other provisions for risks & contingencies (3)	161	8	169		0
Provisions for retirement benefit plan commitments (4)	13 559	2 520			16 079
Total	**27 026**	**12 426**	**5 990**	**2 272**	**31 190**
Provisions for impairment					
Tangible assets	1				1
Share investments	12 210		10 475		1 735
Inventories and work in process	11 850	6 434	6 342	15	11 927
Accounts receivable	929	133	385	285	392
Other (5)	5 071		258	4 791	22
Total	**30 061**	**6 567**	**17 460**	**5 091**	**14 077**
TOTAL PROVISIONS	**69 118**	**20 751**	**26 587**	**7 363**	**55 919**

Of which increases and reversals:	**Increases**	**Reversals**
- operating	*15 203*	*13 592*
- financial	*3 778*	*12 172*
- extraordinary	*1 770*	*8 186*

(1) WARRANTIES

A provision is created to cover the estimated cost of warranties on machinery and spare parts when they are put into use by the sales networks or end customers. It covers the contractual warranty, as well as any potential extension on a case-by-case basis or in relation to campaigns. The provision is calculated on a statistical basis.

(2) PENSIONS AND RELATED LIABILITIES

This line item corresponds to the amount of the provision for long-service awards.

(3) OTHER PROVISIONS FOR RISKS

The risk provision of €161 thousand as of December 31, 2015 for the allotment of free shares was reversed in full in 2016.

(4) PROVISIONS FOR RETIREMENT BENEFIT PLAN COMMITMENTS

Provisions for post-retirement benefits were valued according to the principles described in Note 1.9. The actuarial assumptions used in the valuation of these commitments are as follows:

(5) OTHER

Impairment of treasury shares (see Note 9).

8. FINANCIAL STATEMENTS

		31.12.2015	31.12.2016
Retirement age	- managers	62/67 years	62/67 years
	- non-managers	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 employee growth rate		4.00%	3.90%
Discount rate		2.25%	1.80%
Rate of return on plan assets		2.25%	1.80%
Mortality rate		TGH05/TGF05	TGH05/TGF05
Staff turnover rate	- managers	2.50%	2.50%
	- non-managers	1.00%	1.00%

Actuarial gains and losses are recognized in full in income.

Provisions for retirement indemnities changed as follows:

In thousands of euros	31.12.2015	31.12.2016
Commitment at end of period	19 026	21 088
Plan assets at end of period	5 467	5 009
Financial position	-13 559	- 16 079
Cost of prior services (change in collective bargaining agreement 08/2010)	0	0
(Provision)/amount prepaid	-13 559	- 16 079

The impact on income recorded in the financial statements in 2015 and 2016 can be broken down as follows:

In thousands of euros	31.12.2015	31.12.2016
Service costs	1 493	1 383
Cost of discounting	464	457
Expected return on plan assets	-132	-121
Reduction	0	0
Past service costs	0	0
Sub-total	1 825	1 719
Acquisition transfer	-266	0
Actuarial gain/loss calculated	-1 973	801
Total	**- 414**	**2 520**

NOTE 12 – BREAKDOWN OF DEBT

In thousands of euros	Gross value 31.12.2016	Less than 1 year	1 to 5 years	Over 5 years
Bank loans and debt (1)	100 565	50 065	19 500	31 000
Loans and other financial liabilities	6 307	6 307		
Trade payables	162 440	162 440		
Employee and related accounts	23 763	23 763		
Social Security and other social organizations	16 784	16 784		
Income tax	0			
Value-added tax	77	77		
Other taxes	2 154	2 154		
Debts on fixed assets and related accounts	4 565	4 565		
Group and associates	52 196	52 196		
Other liabilities	24 208	24 208		
Uninvoiced revenues	6 106	3 185	2 921	
Total	**399 165**	**345 744**	**22 421**	**31 000**
(1) Loans taken out during the period	45 644			
(1) Loans repaid during the period	61 583			

In December 2016, Manitou adjusted and extended the financing put in place in 2013. The new multi-currency revolving credit facility (RCF) is worth €180 million over a five-year period, with the option of a two-year extension. The A, B and Capex facilities were repaid early, in the amount of €61 million.

In parallel with these loan repayments, two lines of credit, of €25 million and €20 million were drawn down from the new RCF in December 2016.

8. FINANCIAL STATEMENTS

NOTE 13 – ITEMS RELATED TO AFFILIATES

In thousands of euros	31.12.2015	31.12.2016
Investments accounted for using the equity method (1)	347 565	352 065
Receivables from affiliates	0	0
Other investments	18 995	18 940
Accounts receivable and related	80 684	81 389
Other receivables	34 788	47 747
Supplier accounts payable and related	28 700	32 822
Debt on fixed assets	0	0
Other liabilities	62 615	70 482
Financial expenses	931	940
Income from equity investments	25 422	11 585
Other financial income	2 253	2 649
(1) Of which change in equity method valuation:	0	0

No transactions were made outside of normal market conditions.

NOTE 14 – ACCRUED INCOME AND EXPENSES

NOTE 14.1 - ACCRUED INCOME

In thousands of euros	31.12.2015	31.12.2016
Receivables from affiliates	60	47
Other financial assets	0	0
Accounts receivable and related	1 562	3 820
Other receivables	4 820	7 329
Cash and cash equivalents	2	2

NOTE 14.2 - ACCRUED EXPENSES

In thousands of euros	31.12.2015	31.12.2016
Bank loans and debt	588	651
Other loans and financial liabilities	0	0
Supplier accounts payable and related	28 363	30 419
Tax and social security liabilities	32 102	37 047
Debts on fixed assets and related accounts	903	2 263
Other liabilities	21 177	23 494

NOTE 15 – PREPAID INCOME AND EXPENSES

	31.12.2016	
In thousands of euros	Expenses	Income
Operating expenses/income	3 532	6 106
Financial expenses/income	0	0
Non-recurring expenses/income	0	0
Total	**3 532**	**6 106**

NOTE 16 – TRANSLATION DIFFERENCES ON FOREIGN CURRENCY PAYABLES AND RECEIVABLES

	31.12.2016	
In thousands of euros	Asset differences (1)	Liability differences
Loans and financial liabilities	3 610	2 892
Accounts receivable	42	2 197
Accounts payable	127	5
Total	**3 779**	**5 094**

(1) Offset by a risk provision of €1,697 thousand.

NOTE 17 - REVALUATION DIFFERENCES

In thousands of euros	31.12.2015	31.12.2016
Assets		
Land	354	354
Share investments	554	554
Total	**908**	**908**
Liabilities		
Revaluation reserve (1976)	908	908
Other differences (equity method)	0	0
Total	**908**	**908**

NOTE 18 – BREAKDOWN OF SALES

In thousands of euros	2015	2016
A - Breakdown by business activity		
Production (Société Manitou BF)	607 253	653 414
Spare parts trading	133 575	138 744
Equipment trading	134 224	158 446
Total	**875 052**	**950 604**
B - Breakdown by market region		
France	243 352	286 890
Export	631 700	663 714
Total	**875 052**	**950 604**

NOTE 19 – REVERSALS OF PROVISIONS AND TRANSFERS OF EXPENSES

	31.12.2016
In thousands of euros	Income
Reversal of risk provision	6 396
Reversal of impairment on tangible assets	0
Reversal of provision for impairment of current assets	7 026
Transfer of operating expense (1)	4 692
Total	**18 114**

(1) The transfer of expenses item mainly consists of rebilling from central services to the Manitou Italia subsidiary for €1,932 thousand and to the Manitou Americas subsidiary for €877 thousand, as well as the rebilling of various expenses.

NOTE 20 - FINANCIAL INCOME/EXPENSE

		31.12.2016
In thousands of euros	Expense	Income
Income from securities		11 590
Exchange gains		29 018
Reversal of impairment provision on securities (1)		10 475
Other income		2 956
Loan interest	3 144	
Exchange losses	31 889	
Other expenses	2 101	
Total	**37 134**	**54 039**

(1) The use of the equity method for investments in affiliates resulted in a reversal of provisions in 2016 of €10,475 thousand, bringing the provision at December 31, 2016 down from €12,210 thousand to €1,735 thousand.

NOTE 21 – NON-RECURRING INCOME/EXPENSE

		31.12.2016
In thousands of euros	Expense	Income
Income from the sale of tangible assets		228
Income from the sale of financial assets (1)		133
Reversals of special depreciation allowances		3 136
Reversal of provision for risks (2)		4 791
Miscellaneous		213
Net expenses on disposals of tangible assets	89	
Net expenses on disposals of financial assets (1)	74	
Extraordinary expenses for terminations (3)	490	
Special depreciation allowances and non-scheduled depreciation	1 758	
Miscellaneous	261	
Total	**2 672**	**8 501**

(1) Sale of shares of the Algerian subsidiary Algomat.

(2) Reversal of the provision for impairment of treasury shares.

(3) Indemnities and severance payments related to the company's restructuring.

NOTE 22 – INCOME TAXES

NOTE 22.1 - BREAKDOWN OF INCOME TAX

In thousands of euros	Income before tax	Income taxes	Income after tax
Recurring operating income (1)	55 575	6 915	48 660
Non-recurring income/expense (1)	5 829	2 008	3 821
Non-recurring contribution of dividend distributed		424	-424
Tax credits (2)		-2 271	2 271
Tax income from tax consolidation (3)		-14	14
Net income	61 404	7 062	54 342

(1) After offsetting the total of €16,080 thousand in tax loss carryforwards, taxable income for 2016 was €25,991 thousand, generating a tax expense of €8,293 thousand.

(2) Tax credits for research and apprenticeships.

(3) Tax income from the CFM subsidiary.

NOTE 22.2 - RESEARCH TAX CREDIT

The research tax credit amount recognized for 2016 was €2,269 thousand.

NOTE 22.3 - INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

		2016
In thousands of euros	Basis	Amount
NATURE OF TEMPORARY DIFFERENCES		
INCREASES		
Regulated provisions at 31.12.2016	10 653	
Other tax differences		
Total	**10 653**	
INCREASES IN FUTURE TAX LIABILITIES		**3 669**
REDUCTIONS		
Provisions non-deductible in the year of recognition	7 340	
Total	**7 340**	
REDUCTIONS IN FUTURE TAX LIABILITIES		**2 528**

NOTE 22.4 - IMPACT OF TAX VALUATIONS

In thousands of euros	31.12.2016
INCOME FOR THE PERIOD	**54 342**
Income tax	7 062
CONSOLIDATED INCOME BEFORE TAX	**61 404**
Change in regulated provisions	- 1 378
Other tax differences	
INCOME BEFORE TAX EXCLUDING THE IMPACT OF TAX DIFFERENCES	**60 026**

NOTE 23 – LEASES

There were no real estate leases outstanding as at December 31, 2016.

NOTE 24 – COMMITMENTS

In thousands of euros	31.12.2016
Discounted notes outstanding	0
Sureties, deposits and collateral	1367
Mortgages	0
Shareholder agreements	903
Forward sales of foreign currency	65 644
Currency CAP	25 000
Rate swaps	50 000
Equipment repurchase commitments (1)	0

(1) Equipment repurchase commitments valued at contractually defined repurchase amounts.

It should be noted that the market value of this equipment generally exceeds the repurchase value.

NOTE 25 – AVERAGE HEADCOUNT

Salaried staff	2015	2016
Managers	392	406
Supervisors and technicians	49	48
Employees	442	454
Blue-collar workers	905	886
Total	**1788**	**1794**

NOTE 26 – INFORMATION ON EXECUTIVE COMPENSATION

Total amount of compensation and benefits in kind paid to corporate officers during 2016:

In thousands of euros or number of shares	Salaries	Mandates	Extra benefits	Stock options granted	Stock options exercised	Other provisions and commitments
Non-executive corporate officers	144	441				
Executive corporate officers		733				444

NOTE 27 – STATUTORY AUDITORS' FEES

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 (*Autorité des marchés financiers*, the French financial markets authority) and given in the Notes to the financial statements, complies with the provisions introduced by Decree No. 2008-1487 of December 30, 2008.

NOTE 28 POST-CLOSING EVENTS

On March 27, 2017, the Manitou Group announced the acquisition of Terex Equipment Private Limited (TEPL), based in Greater Noïda, in India. The acquisition, from Terex Corporation, will be finalized in the first half of 2017. TEPL is specialized in the design, manufacture and distribution of construction equipment, primarily backhoe loaders and skidsteers, and generated sales of €30 million in 2016, mainly on the Indian subcontinent. Manitou is building on this acquisition to confirm its ambitions in the handling equipment market in India and more broadly, in Asia and the emerging markets.

LIST OF SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2016

As for the valuation of investments in associates, the consolidated financial statements for 2016 were prepared in accordance with IFRS. The values shown in this table were calculated on the basis of those standards.

COMPANIES *In thousands of euros or foreign currency*	Share Capital	Reserves and retained earnings before appropriation of income	% of share capital held	BOOK VALUE OF SHARES HELD Gross	Net	Consolidated using the equity method	Loans and advances granted and outstanding	Amounts of guarantees provided by the company	Sales excluding taxes	Profit or loss (-)	Dividends received
I - Detailed information											
A - SUBSIDIARIES (at least 50% of the capital held by the company)											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Manitou Global Services (formerly CFM)	1 320	10 093	100,00%	1 716	1 716	12 360			5 275	416	
LMH Solutions	3 000	- 768	100,00%	3 000	3 000	2 100	990		10 214	-321	
Manitou Italia	5 000	74 778	100,00%	34 460	34 460	74 754			212 250	5 558	7 100
Manitou Benelux	500	3 434	100,00%	713	713	3 934	1 924		100 648	1 750	1 485
Manitou Portugal	600	7 053	100,00%	2 963	2 963	7 724			12 352	850	
Manitou Deutschland	800	2 532	100,00%	8 712	8 712	3 332			81 323	1 434	1 000
Manitou Manutencion Espana	200	710	100,00%	200	200	910	176		4 402	276	
Manitou Interface & Logistics Europe	500	603	99,00%	495	495	1 103	14 636		38 487	95	
Manitou Nordics	242	94	100,00%	244	244	336			873	23	
Manitou UK	GBP	GBP							GBP	GBP	
	230	5700	99,42%	598	598	5862	8 130		95 590	1 721	
Manitou Americas	USD	USD							USD	USD	
	361 165	-152 461	100,00%	278 973	278 973	197 832	8 748		328 993	- 1 710	
Manitou Asia	SGD	SGD							SGD	SGD	
	400	11 967	100,00%	1 310	1 310	8 118	644		35 203	1 313	
Manitou Southern Africa	ZAR	ZAR							ZAR	ZAR	
	938	226 220	100,00%	2 219	2 219	15 713			375 411	- 2 374	
Manitou Middle East	AED	AED							AED	AED	
	1 000	135	100,00%	212	212	293			2 268	20	
Manitou Australia	AUD	AUD							AUD	AUD	
	400	9 037	86,00%	358	358	6 465	2 656		55 883	1 887	
Manitou China	CNY	CNY							CNY	CNY	
	59 938	-42 825	100,00%	5 705	5 705	2 338			12 616	309	
Manitou Vostok	RUB	RUB							RUB	RUB	
	338	323 533	100,00%	5 010	5 010	5 037			2 219 164	114 393	
Manitou Polska	PLN	PLN							PLN	PLN	
	200	1 127	100,00%	53	53	301			4 820	195	
Manitou South Asia	INR	INR							INR	INR	
	45 000	30 694	100,00%	637	637	1 057			83 206	13 380	
Manitou Brasil Manipulacao de Cargas	BRL	BRL							BRL	BRL	
	14 179	-12 767	99,96%	4 070	4 070	412	3 472		12 868	- 3 748	
Manitou Malaysia	MYR	MYR							MYR	MYR	
	1 965	-413	100,00%	400	400	328	254		3 665	-186	
Manitou Chile	CLP	CLP							CLP	CLP	
	15 000	0	100,00%	20	20	21			0	0	
B - INVESTMENTS IN AFFILIATES (10 to 50%)											
Manitou Finance France	EUR	EUR							EUR	EUR	
	4 682	20 601	49,00%	12 571	12 571				48 059	1 905	
Manitou Finance Ltd	GBP	GBP							GBP	GBP	
	7 270	11 116	49,00%	4 875	4 875				9 746	3 471	
Hangzhou Manitou Machinery Equipment	CNY	CNY							CNY	CNY	
	27 880	-13 500	50,00%	1 448	1 448				19 511	-7 550	
C - INVESTMENTS IN AFFILIATES (non-trading companies)											
Cobra MS	10	-9	100,00%	10	10				0	-3	
Manitou Developpement	10		100,00%	10	10	10			0	0	
II - General information											
A - SUBSIDIARIES not included in paragraph I	None										
B - INVESTMENTS IN AFFILIATES not included in paragraph I	None										
C - INVESTMENTS IN AFFILIATES not included in paragraph I	None										

INVENTORY OF SECURITIES HELD

COMPANY *In number of units or shares or thousands of euros*	Type and par value	Currency	Number of units or shares	Original book value	Equity consolidation method value
Manitou Global Services (formerly CFM)	Shares at 20	EUR	66 000	1 716	12 360
Manitou Finance France	Shares at 1,000	EUR	12 571	12 571	12 571
Manitou UK	Shares at 1	GBP	228 670	598	5 862
Manitou Italia	Shares at 1	EUR	5 000 000	34 460	74 754
Manitou Benelux	Units of 500	EUR	999	713	3 934
Manitou Asia.	Shares at 1	SGD	400 000	1 310	8 118
Manitou Portugal	Shares at 5	EUR	120 000	2 963	7 724
Manitou Deutschland	Shares at 800,000	EUR	1	8 712	3 332
Manitou Southern Africa	Units of 1	ZAR	937 500	2 219	15 713
Manitou Finance ltd.	Units of 1	GBP	3 562 000	4 875	4 875
Manitou Americas	Shares at 361,101	USD	1	278 973	197 832
Manitou Australia	Shares at 1	AUD	344 000	358	6 465
Manitou Hangzhou Material Handling				5 705	2 338
Manitou Manutencion Espana	Shares at 1	EUR	200 000	200	910
Hangzhou Manitou Machinery Equipment				1 448	1 448
Manitou Vostok	Shares at 1	RUB		5 010	5 037
Manitou Polska	Units of 1	PLN	400	53	301
Manitou Interface and Logistics Europe	Shares at 500	EUR	495	495	1 103
Manitou South Asia	Shares at 10	INR	4 499 999	637	1 057
Manitou Brasil Manipulacao de Cargas	Shares at 1	BRL	14 174 270	4 070	412
Manitou Nordics	Shares at 1	EUR	170 000	244	336
Manitou Middle East	Shares at 1	AED	1 000 000	212	279
Manitou Malaysia	Shares at 1	MYR	1 965 100	400	328
Manitou Chile	Shares at 1	CLP	15 000 000	20	21
LMH Solutions	Shares at 10	EUR	300 000	3 000	2100
Cobra MS	Shares at 100	EUR	100	10	10
Manitou Developpement	Shares at 1	EUR	10 000	10	10
Total				**370 982**	**369 220**

COMPANY FINANCIAL RESULTS FOR THE LAST FIVE YEARS

in euros	2012	2013	2014	2015	2016
I - AS AT YEAR-END					
a) Share capital	39 548 949	39 548 949	39 548 949	39 551 949	39 557 449
b) Number of shares issued	39 548 949	39 548 949	39 548 949	39 551 949	39 557 449
c) Number of convertible bonds					
II - COMPREHENSIVE INCOME FROM ACTUAL OPERATIONS					
a) Sales excluding taxes	851 301 672	825 013 338	881 163 431	875 052 088	950 604 154
b) Income before taxes, depreciation, amortization, provisions and employee profit-sharing	24 288 590	-4 095 475	32 097 756	63 921 122	64 585 177
c) Income tax	-821 743	8 011	1 168 145	2 442 468	7 061 863
d) Income after taxes, depreciation, amortization, provisions and employee profit-sharing	39 808 642	-14 308 417	44 820 578	60 814 467	54 342 359
e) Total dividends paid	11 864 685	17 797 027	0	13 842 132	14 238 702
III - INCOME PER SHARE FROM OPERATIONS					
A) Income after taxes but before depreciation, amortization, provisions and employee profit-sharing	0.63	-0.10	0.78	1.55	1.45
b) Income after taxes, depreciation, amortization, provisions and employee profit-sharing	1.01	-0.36	1.13	1.54	1.37
c) Dividend paid per share	0.45	0.45		0.36	0.43
IV - PERSONNEL					
a) Number of employees	1 718	1 847	1 789	1 788	1 794
b) Total payroll expense	64 735 908	71 664 769	70 426 403	73 349 207	74 417 961
c) Amounts paid for employee benefits	35 388 501	36 160 048	38 172 381	38 410 040	40 879 418

8.4 STATUTORY AUDITORS' REPORTS 2016

8.4.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

- 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.

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2016, 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 2016 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 and specifies, in particular, that the valuation of fully owned entities is based on the net equity portion determined according to the consolidation rules. 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 standards.

 Note 11 to the financial statements discloses the fact that your Company sets aside provisions in respect of customer guarantees and campaigns. In particular, our work consisted in assessing the information and assumptions determined by Management on which such accounting estimates are based, reviewing, on a test basis, the Company's calculations and comparing the accounting estimates of prior periods with the corresponding actual data.

We assessed the reasonableness of such estimates.

ACCOUNTING PRINCIPLES

As part of our assessment of the accounting principles applied by your Company, we have also reviewed the methods used to capitalise and amortise development costs and test their recoverable amount, and are satisfied that note 1.3 to the financial statements provides appropriate disclosure in this respect.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the expression of our opinion in the first part of this report.

8.4.1.3 SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of voting rights has been properly disclosed in the management report.

Orvault and Saint-Herblain, April 14, 2017

The Statutory auditors

French original signed by

RSM Ouest	**Deloitte & Associés**
Jean-Michel Picaud	Emmanuel Gadret

8.4.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that was issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on the regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, and the reasons justifying that these commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, 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 for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments already authorised by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

8.4.2.1 AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorised during the year

We hereby inform you that we have not been advised of any agreements or commitments authorised during the year to be submitted for the approval of the Shareholders' Meeting, pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

8.4.2.2 AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorised in previous years

a- and having continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments authorised in previous years have had continuing effect during the year.

AGREEMENT WITH MRS. JACQUELINE HIMSWORTH, VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

Current account

Mrs. Jacqueline Himsworth's current account totalled €233,579 (including interest, net of deductions) as of 31 December 2016. This account bore interest at 2.03%. The amount of interest assumed by your Company in this respect totalled €3,585 in 2016.

AGREEMENT WITH MR. BRAUD (CHAIRMAN OF THE BOARD OF DIRECTORS) AND MRS. BRAUD

Current account

Mr. and Mrs. Braud's current account totalled €6,073,698 as of 31 December 2016 (including interest, net of deductions). This account bore interest at 2.03%. The amount of interest assumed by your Company in this respect totalled €121,815 in 2016.

CONTRACT ON THE PART OF MANITOU BF TO SUPPLY TWO COMPANY VEHICLES TO GLGM CONSEIL, WHICH IS MANAGED BY MR. MICHEL DENIS, CEO

During its meeting on 12 December 2014, your Board of Directors established an agreement to conlude a contract with GLGM Conseil, which is managed by Mr. Michel Denis, for the supply of two vehicles, one strictly for the professonal use of Mr. Michel Denis and the other for his professional and personal use.

This agreement was signed on 10 March 2015, for a term of one year, and is tacitly renewable unless it is terminated by one of the parties, or should Mr. Michel Denis cease his duties as manager of GLGM Conseil and/or CEO of Manitou BF.

The total budget allocated for the management of the two vehicles is €2,150 per month including taxes. This amount is firm and non adjustable.

b- and having no effect during the year

In addition, we have been advised that the following agreements and commitments, which were approved by Shareholders' Meetings in prior years, were not implemented during the year.

Commitments undertaken on behalf of Mr. Michel Denis, CEO since 13 January 2014

On 8 January 2014, your Board of Directors approved the payment of a termination benefit to Mr. Michel Denis, appointed CEO effective 13 January 2014, in the event his 4-year mandate were to be revoked before expiration or not renewed following the 4-year term's conclusion, unless the revocation or non-renewal is due to gross negligence.

The amount of the termination benefit was set at 100% of the fixed and variable remuneration and the long-term incentive paid during the year preceding the year in which the revocation becomes final or the year in which the mandate was not renewed, provided that the bonus criteria are more than 35% satisfied over the period under consideration.

In addition, the CEO shall comply with a non-compete obligation for a period of twelve months following the end of his mandate, regardless of the reasons for the termination of said mandate. In consideration for this obligation, the CEO shall receive compensation equal to half of his monthly fixed remuneration received during the last month preceding the termination of his mandate and payable at each month-end for a period of one year following the effective termination of said mandate

Orvault and Saint-Herblain, April 14, 2017

The Statutory Auditors

RSM Ouest	Deloitte & Associés
Jean-Michel Picaud	Emmanuel Gadret

9. REGULATORY APPENDIXES

9.1 DOCUMENTS ACCESSIBLE TO THE PUBLIC

The Registration Document is available at the Company's head office,

430, rue de l'Aubinière - BP 10 249

44 158 Ancenis Cedex – France

Phone +33 (0)2 40 09 10 11

and on the www.manitou-group.com / investor relations website.

For the duration that the Registration Document is valid, the following documents can be consulted at the Manitou headquarters:

- the articles of association,
- all reports, letters and other documents, historical financial information,
- the historical financial information of Manitou for each of the two financial years preceding the publication of the Registration Document.

INCORPORATION BY REFERENCE

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following information is included by reference in this Registration Document:

- the 2015 Registration Document registered by the AMF on March 31, 2016, under the reference, D.16-0252,
- the 2014 Registration Document registered by the AMF on March 31, 2015, under the reference, D.15-0268,
- the 2013 Registration Document registered by the AMF on April 30, 2014, under the reference, D.14-025,
- the 2012 Registration Document registered by the AMF on April 30, 2013, under the reference, D.13-020.

The parties not included in this document are either not applicable to the investor or are covered within the said registration document.

9.2 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Michel Denis, President and Chief Executive Officer,

I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this registration document is, to the best of my knowledge, in accordance with the facts and omits no information likely to affect the scope.

I certify, to my knowledge, that the accounts have been prepared in accordance with the accounting standards applicable and give a true and fair view of the assets, liabilities, financial situation and income of the company and all the companies included in the consolidation and that the management report in Section 2 presents an accurate picture of the development of the business, income and financial situation of the company and all the companies included in the consolidation and that it describes the main risks and uncertainties that they face.

I have received a letter from the official auditors saying that they have finished verifying the information concerning the financial situation and the accounts provided in this document and have read the entire document.

Ancenis, April 14, 2017

Michel Denis,

President and Chief Executive Officer

PARTIES RESPONSIBLE FOR THE AUDITING OF ACCOUNTS AND THE STATUTORY AUDITORS

Deloitte et Associés (RCS Nantes 572 028 041) represented by Mr. Emmanuel Gadret 1 rue Benjamin Franklin, CS20039 – 44801 Saint-Herblain Cedex	Incumbent statutory auditor
RSM OUEST (RCS Nantes 864 800 388) represented by Mr. Jean-Michel Picaud 213 route de Rennes, L'Arpège Orvault – 44702 Orvault Cedex	Incumbent statutory auditor
BEAS represented by Mr. Alain Pons 195 avenue Charles de Gaulle – 92000 Neuilly sur Seine	Deputy statutory auditor
Jean-Michel Grimonprez, member registered with the Compagnie Régionale des Commissaires aux Comptes de Rennes	Deputy statutory auditor

PERSONS RESPONSIBLE FOR THE FINANCIAL INFORMATION

Michel Denis, President and Chief Executive Officer

Hervé Rochet, Corporate Secretary - CFO

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