2017 ANNUAL REPORT

HANDLING YOUR WORLD

MANITOU GEHL MUSTANG

MANITOU GROUP

HANDLING YOUR WORLD

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

CONTENTS

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

A world leader in rough-terrain material handling, the group designs, produces, distributes and services equipment for construction, agriculture and industry.

The group's product ranges include rough-terrain fixed, rotating and heavy-load telehandlers; rough-terrain, semi-industrial and industrial masted forklift trucks; backhoe loaders; skid-steers and track loaders; articulated loaders; aerial work platforms; truck-mounted forklifts; warehousing equipment and attachments. Thanks to its high-profile brands, Manitou, Gehl and Mustang, and its network of 1,500 dealers throughout the world, the group provides the best solutions, creating most value for its customers.

With its registered office in France, in 2017 the group recorded revenues of 1.6 billion Euros in 140 countries, and it employs 3,900 people all committed to delivering customer satisfaction.

1958 Marcel Braud conceives the idea of the Manitou truck.

1972 Group enters foreign markets.

1981 Launch of first Manitou telehandler.

1984 Manitou floated on stock exchange.

1993 First MRT rotating telehandlers are sold.

1993 Launch of first range of aerial work platforms.

2004 Manitou manufactures and sells its 200,000th forklift truck worldwide.

2006 Manitou hits the 1 billion sales milestone.

2008 Takeover of the American company Gehl.

2010 Launch of Gehl and Mustang articulated loaders.

2012 Crossover agreement signed with Yanmar for the manufacture of mini-loaders and the distribution of mini-excavators.

78%

OF SALES GENERATED ABROAD

COMPANY'S SHARE CAPITAL HELD AT A RATE OF

64%

BY THE FOUNDING FAMILIES

26

SUBSIDIARIES

11

PRODUCTION SITES

GROUP LISTED ON THE PARIS STOCK EXCHANGE

€1.6 BN

NET SALES 2017

3 900

EMPLOYEES WORLDWIDE

MANITOU GEHL MUSTANG

3 BRANDS DISTRIBUTED BY 1,500 DEALERS IN 140 COUNTRIES

2013
Consolidation of Yanmar partnership as Yanmar becomes a Group shareholder, with 6.26% of the capital.

2014
Michel Denis appointed President and CEO.

2015
Manitou sells its 500,000th machine worldwide.

2016
Inauguration of a production site in Brazil.

2016
Launch of the new agricultural range, MLT NewAg.

2017
Acquisition of Terex Equipment India (backhoe loaders and mini-loaders).

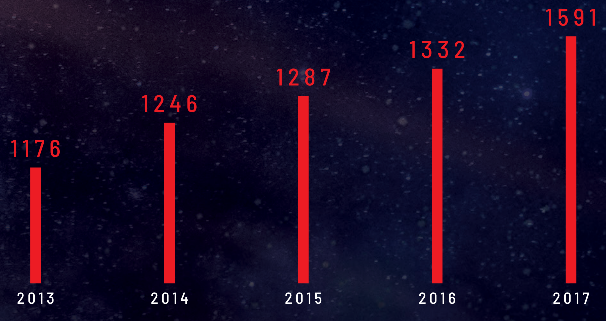
2017
Acquisition of a majority holding in LiftRite (Distributor in Australia).

2017
Marcel Braud appointed Honorary Chairman, Founder of Manitou.

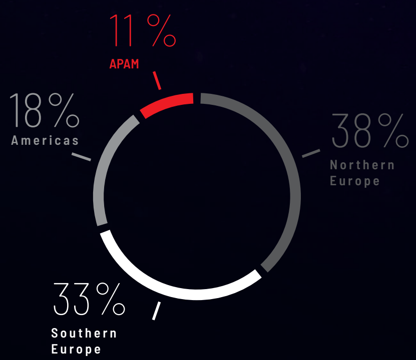
2017
Michel Denis' term of office renewed for 4 years (2018-2022).

2017
Jacqueline Himsworth appointed Chair of the new Board of Directors.

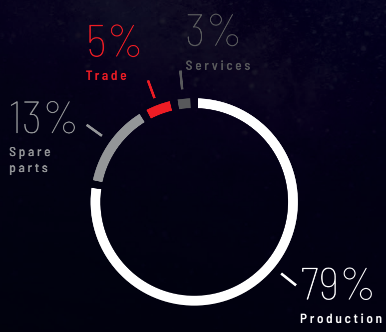
KEY FIGURES



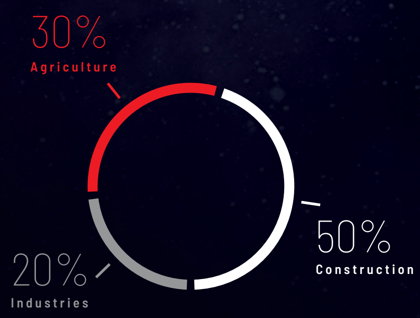
SALES (IN €M)



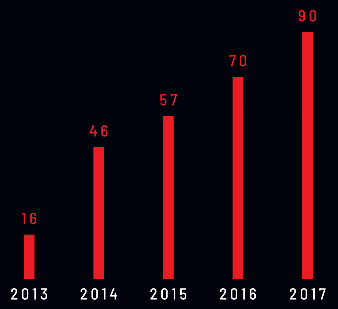
SALES BY GEOGRAPHIC AREA



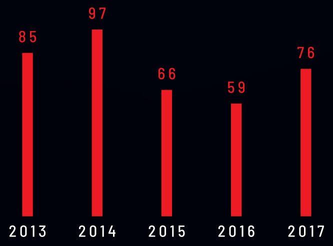
SALES BY TYPE



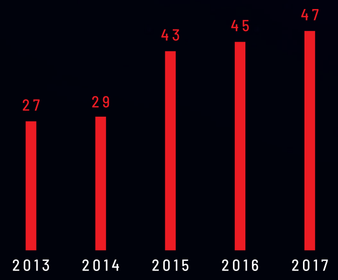
SALES BY MARKET



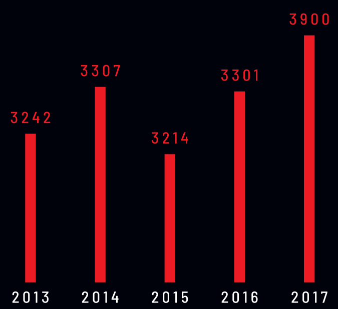
OR (IN €M)*
*OPERATING RESULTS



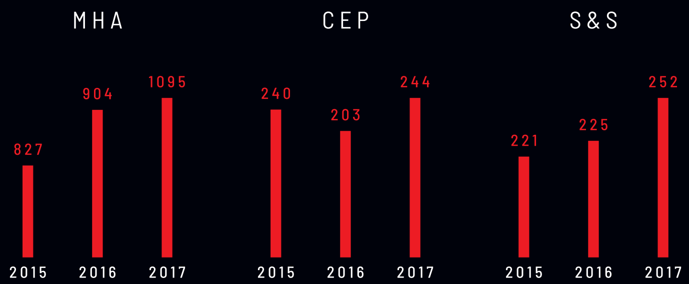
NET DEBT (IN €M)



INVESTMENTS (IN €M)



WORKFORCE (IN NUMBER OF PEOPLE)



SALES BY DIVISION (IN €M)

HIGHLIGHTS 2017

1

2

4

3

5

6

7

8

9

1 Launch of the 220 TJ and 220 TJ+ aerial work platforms

2 Jacqueline Himsworth appointed Chairman of the Board of Directors

3 Inauguration of the new entity, Manitou Equipment India (MEI)

4 Integration of the teams from the logistics centre in Belvidere IL, United States

5 New range of refurbished and REMAN-certified spare parts

6 Acquisition of the distributor, LiftRite, in Australia

7 Launch of the new MRT 3050 & 2470 models at a Keynote

8 Launch of the MC 18 rough-terrain forklift truck

9 "Etoile du Design" prize for the NewAg range

Launch of the spare parts website www.manitou-parts.com

Manitou Asia celebrated its 25th anniversary

Manitou Group is the 1st signatory company to the PREP*

*Regional Plan in favour of Equality in the Workplace

BOARD
OF DIRECTORS

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

In June 2017, at the end of Manitou BF's shareholders' meeting, the Directors appointed me Chairman of the Board of Directors, succeeding my brother, Marcel Braud. A page has been turned, but the story continues. The Manitou group can count on its talented teams, its expert dealer network, and all its customers who create the strength and reputation of our Manitou, Gehl and Mustang brands. We will continue to work together to present our flagship brands in the best possible light the world over.

The Board of Directors and I are making decisions to enable Michel Denis and his team to offer our customers the products and services they require at a time when indicators point to a strong outlook for our three markets - agriculture, construction and industries.

2017 was a year of strong growth for Manitou Group. New products were launched and the sharp rise in our orders proves that customers have recognised and appreciated recent innovations and improvements.

There were plenty of development projects for the group, including the acquisition of a production site in India, which bolsters our presence in emerging countries with products adapted to the constraints of those markets, and, with an acquisition of a majority holding in the dealer, LiftRite, in Australia, our presence is strengthened in that country, especially in the mining sector.

In 2018, we will meet the challenges that lay ahead by giving our full support to the teams to ensure the satisfaction of our customers and continue to earn the trust of our shareholders.

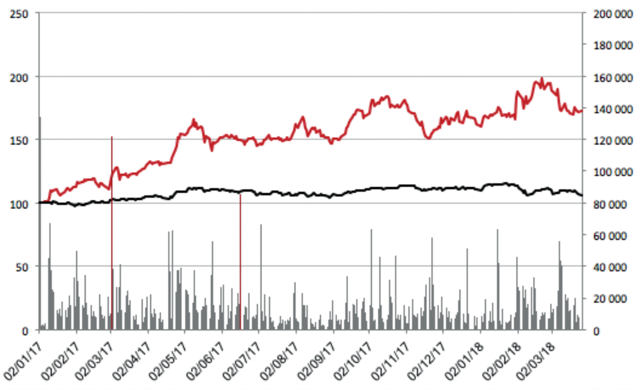
Jacqueline Himsworth
Chairman of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS

1 Jacqueline Himsworth (Chairman)
2 Christopher Himsworth
3 Cécile Helme-Guizon
4 Émilie Braud
5 Gordon Himsworth
6 Sébastien Braud
7 Marcel-Claude Braud
8 Dominique Bamas
9 Carole Lajous
10 Pierre-Henri Ricaud

2 3 4 5 1 6 7 8 9 10

MANITOU ON THE STOCK EXCHANGE



INDEX AND VOLUME EVOLUTION OF MANITOU SHARES SINCE 02.01.2017

Volume Manitou Cac all-tradable

ANALYSTS COVERING THE MANITOU SHARE

Société Générale
Christophe Quarante

Gilbert Dupont
Stephen Benhamou

Portzamparc
Geoffrey Melchior

Oddo BHF
Emmanuel Matot

CM CIC Market Solutions
Ebrahim Homani

Natixis
Kathleen Gaillot

Kepler Cheuvreux
Charles-Louis Scotti

SHARE PRICE IN €	2013	2014	2015	2016	2017
Highest	14.55	14.11	19.5	19.2	34.8
Lowest	9.42	10.51	12.1	13.0	18.4
Year-end price	13.80	12.20	14.1	18.7	30.5
Change in the year	+6.2%	-11.6%	+15.6%	+32.6%	+63.1%
Cac Mid & Small change in the year	+26.7%	+8.4%	+18.2%	+7.2%	+21.9%
Market capitalisation at 31.12 in millions of euros	546	482	558	740	1 208
Average number of shares traded daily	17 524	12 267	13 567	19 784	16 517
Number of shares traded annually	4 463 012	3 128 126	3 473 000	5 084 402	4 211 891
Number of shares at 31.12	39 548 949	39 548 949	39 551 949	39 557 449	39 621 598
Share turnover rate	11.3%	7.9%	8.8%	12.9%	10.6%

THE MANITOU SHARE IS LISTED ON EURONEXT PARIS:

- EUROLIST compartment A
- ISIN code: FR0000038606

CAPITAL SHAREHOLDERS:

Amount of capital at 31.12.2017:
€39,621,598

STOCK MARKET INDEXES:

CAC ALL SHARES, CAC ALL-TRADABLE
CAC IND. ENGIN.
CAC INDUSTRIALS, CAC MID&SMALL
CAC SMALL
EN FAMILY BUSINESS, ENT PEA-PME 150

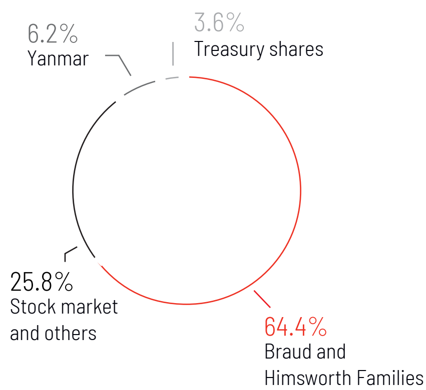
SHARE MANAGEMENT:

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

RESPONSIBLE FOR FINANCIAL INFORMATION:

Hervé Rochet
Corporate Secretary - CFO

MAIN SHAREHOLDERS:



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

VISION AND STRATEGIC PRIORITIES

2017, a year of development for Manitou Group, with sales up by 19% on 2016 and an order book that, at the end of December, stands at a record high and shows a strengthening of our market positions. This performance means we have achieved our operating margin target of 6% that we set ourselves in our 2014-2018 roadmap and have done so a year ahead of schedule. With respect to 2016, our current operating income is up by 35% and our net income by 40%. The dedication of our teams, the innovative nature of our products and services, the flexibility of our approach with regard to key accounts and the quality of service delivered by our distribution network worldwide were the cornerstones of this success.

In 2017, Manitou Group increased its market share against a backdrop of favourable economic conditions, with a notable increase in Europe and the United States, and across all our business sectors.

• In the construction sector, the positive trend of 2016 gained momentum, with, notably, greater demand from rental companies. We continue to expand our global presence. Having experienced unparalleled success in Europe, we have decided to launch our range of aerial work platforms in the United States.

• In the agricultural sector, our performance is also very positive, with confirmation of the success of the NewAg range introduced at the end of 2016, and the launch of new models of articulated loaders and rough-terrain forklift trucks.

• Finally, in the industrial sector, the Manitou group is continuing to improve its performance. Spurred on by the success of its range of electric and internal combustion industrial forklift trucks since 2012, the group has also begun to launch this entire range in North America.

Our development is also supported by the resumption of an international acquisitions policy. Firstly in India, with the purchase of Terex Equipment India Private Ltd in order to address the needs of emerging countries for earth-moving and materials-handling solutions. Then, in Australia, with an acquisition of a majority holding in our distributor, LiftRite, with the aim of strengthening ties with our mining sector customers.

From a societal and environmental standpoint, our Group continues to structure its CSR policy around the “Elevation” plan. This plan, which is focussed on the fundamental challenges of our business, aims to mobilise the men and women of Manitou, in partnership with our entire supply chain, to develop innovative materials-handling solutions at the same time as reducing their impact on the environment.
It is at the heart of our strategic ambition and plays a key role in value creation within the group. Initiated in 2012, this approach has also been in accordance with the principles of the United Nations Global Compact since 2015. In 2017, Manitou Group reiterated its support for the Global Compact.

Today, our record-high order book and our ambitions mean we can expect steady growth in 2018. In addition, the group has redefined its medium-term targets with a new roadmap for 2018 to 2022 focussed on: improvement in our commitment to customers around the globe, development of our machines and services portfolio, creation of value and performance as a result of innovation, digitalization and conversion, in addition to the “elevation” of our talents.

Achieving these targets will enable us to strengthen our leadership through sustainable growth.

Michel Denis
President and CEO

IMPROVING CUSTOMER LOYALTY THROUGHOUT THE CONTINENTS

CREATE VALUE AND PERFORMANCE THROUGH INNOVATION, DIGITALIZATION AND TRANSFORMATION

INCREASING THE MACHINE AND SERVICE PORTFOLIO

PROMOTING TALENTS

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 optimisation of its sourcing allows the Manitou group to anticipate the market's needs by designing products which fully meet its customers' needs. The Manitou, Gehl, Mustang and Loc equipment and the Edge attachments 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 changes in demand and the specific requirements of the different markets, the Manitou group has built its industrial tool around three guiding principles: the development of 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 focussed on deploying reliable and powerful networks locally: There are nearly 1,500 dealerships and distributors spread over 140 countries, all specialised in material handling equipment, 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 a personalised service, which will allow them to optimise their use of the equipment.

PROVIDING SERVICE AND VALUE

Throughout the product's life cycle

The manufacturer focusses its attention on listening to its customers, satisfying their needs and seeking to create value. The Manitou group designs products and services that are the most adapted to meeting their needs and to working alongside them throughout the product's life cycle. The objective: to search for the best performance, the greatest ease of use and the highest level of reliability, including awareness of fuel consumption and the product's second life control.

INNOVATION FOCUS

MHA

2017 confirmed the success of the NewAg telehandler range with over 3,000 orders and a recent expansion to 12 models. Due to the active involvement of its teams, the MHA Division also worked on the design of several new products. A new 22-metre high aerial work platform (220 TJ) was presented at the APEX trade fair in Amsterdam, and two rotating telehandlers (MRT 2470 & MRT 3050) at an innovative "Keynote" presentation streamed on all the group's digital media worldwide. The other ranges were refreshed with new heavy-load models (MHT), 4W truck-mounted forklifts, and a rough-terrain forklift truck (MC18), strengthening the group's pioneering leadership on this market segment. These innovative products are a result of working closely with users, whether in the agricultural, construction or industrial sectors. Maintaining the image of reliability of its product ranges is the Manitou group's primary objective.

S&S

With its new Easy MANAGER app for smartphones and tablets, the Manitou group offers a connected solution allowing real-time access to the machine's key data such as the fuel consumption or engine temperature. This tool makes it possible to perform remote diagnostics on the machine and to geolocate it before a technician arrives to work on it, thus performing faster maintenance. The spare parts business also grew in 2017 with the launch of the new Reman offering for the refurbishment of original parts. By committing to a circular economy policy, which recycles waste, the group enables its users to reduce the total cost of ownership of their machine with tested, verified and refurbished parts under warranty. Currently, 128 telehandler parts are included in this offering. Already available in France, Germany, Italy and the UK, the offering will be available to other European countries in 2018.

CEP

Due to an unprecedented number of launches, the Compact Equipment Products Division saw a record level of business for its Gehl and Mustang brands. Some of the new models being marketed are: telescopic loaders, excavators, articulated loaders, skid-steers and track loaders for the rental market. With the incorporation of a site dedicated to compact models in India, the Manitou group is adding a range of backhoe loaders to its offering and expanding its production of skid-steers to emerging markets. All of the Gehl & Mustang products are engineered and designed according to the requirements of each customer. They benefit from the latest technologies, making CEP machines innovative products of extremely high quality serving fast-growing markets.

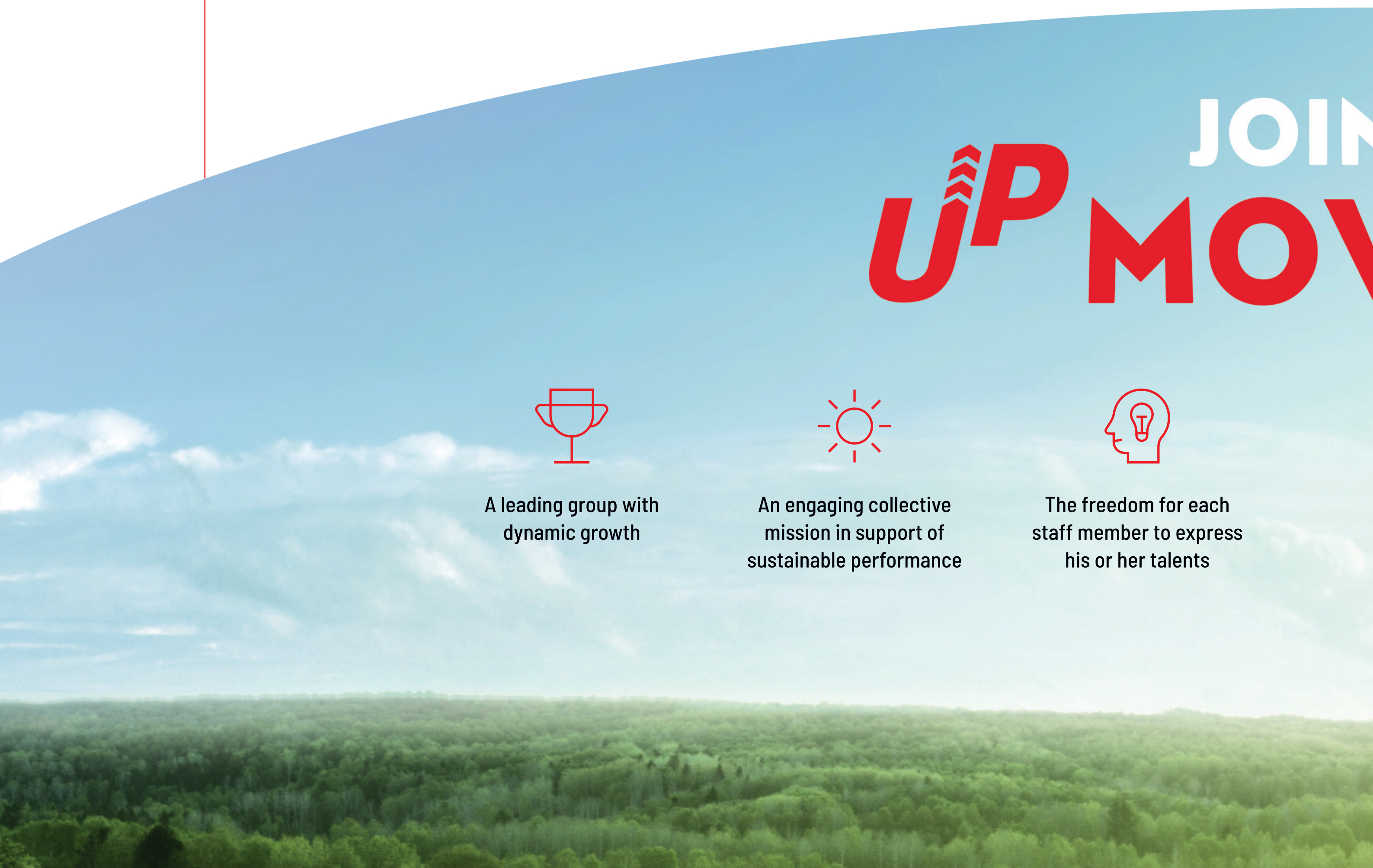
THE MANITOU GROUP
NURTURING TALENT

OVERCOMING CHALLENGES

The Manitou group is made up of men and women who are passionate about their work, driven by an entrepreneurial spirit and the desire to conquer new markets. This mindset is at the heart of the company's culture and increases the employees' sense of belonging. Based on confidence, the Manitou management aims to innovate, experiment, challenge and take responsibilities.

This way of working constantly promotes diversity within the teams and the consequent sharing of experiences. The group is committed to continuous improvement in support of sustainable development. Staff draw on all of their know-how in order to offer users the best possible customer experience.

Manitou is an innovative group, an enabling environment, a challenging job... These qualities are driven by the Manitou employer brand: "Join the Up Movement!". This watchword invites candidates to apply and staff to contribute to the corporate dynamic.



MOVING FORWARD AS A TEAM

Manitou is now an international group underpinned by family shareholdings, which guarantees it a long-term vision that is respectful of people. Compassion, passion and performance are the cornerstones of strong corporate culture. The Manitou group, convinced that collaboration is as strong a driver as competition, encourages team spirit in its organisations.

Manitou also encourages the development of its staff by offering them stimulating development opportunities in France and abroad. In this way, each staff member has the opportunity to be in regular contact with their counterparts worldwide, 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 working environment.

"WO'MEN BY MANITOU GROUP": AN INTERNAL NETWORK FOR GENDER EQUALITY IN THE WORKPLACE

28 NATIONALITIES IN 2017

19% WOMEN IN 2017

700 NEW RECRUITS IN 2017

N THE
VEMENT

A culture of innovation shared by all the group's organisations

A warm and friendly environment

Stimulating career paths, in France and abroad

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 handling, to building partnerships with its suppliers and to commit all of its staff to this virtuous dynamic.

The Manitou group's 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 adhered to the 10 principles of the UN Global Compact. This adherence has committed the group to integrating each of these principles into its strategy, its culture, its operations and its stakeholder relations.

LE PLAN ELEVATION

TO BE A CREATOR OF SUSTAINABLE SOLUTIONS

CARRIED OUT BY ALL MANITOU GROUP STAFF

IN CLOSE PARTNERSHIP WITH THE SUPPLY CHAIN

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

HIGHLIGHTS FOR 2017 FROM THE DESIGN OF A MACHINE TO ITS END OF LIFE

SUSTAINABLE DESIGN

- Measuring & improving fuel consumption of machines (REDUCE Fuel)
- EcoDesign steering committee
- Using an EcoDesign checklist
- Inclusion of the total cost of ownership from the design stage (REDUCE TCO)

RECYCLING & RECOVERY

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

RESPONSIBLE PURCHASING

- 200 suppliers signatories to the Responsible Purchasing Charter
- CSR rating of suppliers
- Promoting CSR good practice among suppliers
- Co-development and productivity initiatives
- Mechanical Welding Think Tank

REUSE & USED PARTS

- Used machinery market (used.manitou.com)
- Machine refurbishment centre
- REMAN parts (refurbished)
- Spare Parts Logistics Centre
- Repair & Maintenance Information (RMI)

OPTIMIZED PROCUREMENT & DISTRIBUTION

- CSR self-assessment by carriers
- Calculator for optimising the useful volume of trucks

ELEVATION 2017

EXTENSION OF SERVICE LIFE

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

CLEAN & SAFE PRODUCTION

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

NEW MODES OF CONSUMPTION

- "All-In" rental deals
- Connected solutions: Easy MANAGER, interactive View (iV)...
- Eco-driving
- Warranty extensions
- Construction of the Reduce Risks programme

SOCIALLY RESPONSIBLE EMPLOYER

- Action plan following the internal satisfaction survey
- Wo'Men by Manitou Group network
- Internal CSR communication, especially through "Elevation Days" (sustainable development week)
- Corporate patronage & reinforcing regional presence

MHA
DIVISION
MATERIAL HANDLING AND ACCESS

€M

1,095

THE MHA DIVISION

MATERIAL HANDLING AND ACCESS

The MHA division designs, produces and provides ranges of rough-terrain, internal combustion, electric and dual-energy fixed, articulated and rotating telehandlers, heavy-load telehandlers and aerial work platforms, but also semi-industrial and industrial rough-terrain masted forklift trucks, truck-mounted forklifts and warehousing equipment. The **"Material Handling & Access"** Division develops and manufactures its products on the sites of Ancenis, Candé, Laillé and Beaupréau (France), Castelfranco (Italy) and Vinhedo (Brazil).

2017 FOCUS

2017 proved to be more challenging than anticipated in all areas of the business. The improved reliability of continuous processes made it possible to tackle and continue to make organisational and operational improvements.

The 4 key approaches of the MHA roadmap were deployed in the form of projects and objectives resulting in remarkable successes:

PRODUCT LEADERSHIP

INDUSTRIAL AGILITY

PRIDE AND COMMITMENT

PROFITABILITY AND LONG-TERM SUSTAINABILITY

A number of new products won prizes in 2017: "Etoile du Design" prize in France for the MLT NewAg agricultural range; "Foglie d'oro" prize for the MLT 840 and MLT 1040 at the Fieragricola trade fair in Italy; and the prize for the best telehandler in Spain for the MT 420 aimed at the construction sector.

Meanwhile, industrial agility, which is the teams' watchword, made it possible to satisfy much greater market demand than anticipated. This enabled the MHA division to deliver orders within the required time limits, with the required level of quality, while being more competitive on a market that has become ever more so. Efforts were also focussed on the safety and well-being of the teams, and on the eco-design of the products.

In 2018, MHA will again be faced with ever-greater demand and will therefore be able to test out an adaptation programme as early as the first quarter in the following operational areas:

• securing the supply chain: supplier capability, re-sourcing, procurement & logistics for all sites and all product ranges,

• direction of the Product Plan with the launch of new projects and provision of new models in collaboration with the CEP and S&S divisions,

• programme to control industrial costs, by working on optimizing the sourcing of raw materials and components from suppliers,
• continued industrial investment aimed at boosting overall performance, flexibility, productivity and the safety of people and property.

CEP

DIVISION

COMPACT EQUIPMENT PRODUCTS

THE CEP DIVISION

COMPACT EQUIPMENT PRODUCTS

€M
244

Grouped together in a **"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 on the group's 3 markets, the division's main product ranges are: Gehl and Mustang skid-steers and track loaders, compact excavators, backhoe loaders, compact skid-steers, articulated loaders and telehandlers for the American market.

2017 FOCUS

The CEP division expanded its global presence in 2017 thanks to the design, development and launch of 17 new innovative models under the Manitou, Gehl and Mustang brands. The R&D and marketing teams worked closely with their customers to extend the range of products and thereby make the CEP division a source of higher growth for the Manitou group, by capitalizing on the agriculture, construction and industries sectors, but also on rental companies and the new opportunities which have arisen.

In order to improve and enhance the overall customer experience of the Gehl and Mustang brands, XPRT®-certified spare parts are now distributed worldwide. The CEP division has committed to supplying high-quality parts and services to all users throughout the life cycle of the machines.

By paying close attention to the requirements of its customers, the CEP division will continue to market innovative products and services with a constant focus on customer satisfaction. It will be equally attentive to market opportunities. The use of new technologies, investments and the focus on improving the supply chain where the three production sites in North America are based, will enable it to offer high-quality, competitive products, and to improve users' productivity with the aim of supporting the global growth of the Manitou group.

Other significant events are now supporting these growth objectives, with the incorporation of Manitou Equipment India's operations. This recent acquisition is already securing cost reductions, diversifying the range of products with backhoe loaders and strengthening ties with its customers.

S&S
DIVISION

SERVICES AND SOLUTIONS

THE S&S DIVISION

SERVICES AND SOLUTIONS

€M

252

The **"Services & Solutions"** division aims to develop offerings which better meet the expectations of its users. In fact, in addition to products and their performance, Manitou Group's strategy includes the development of comprehensive materials-handling solutions for its customers. To this end, it attaches a set of services to each product: new or refurbished spare parts, after-sales service, on-board telematics (connected machines), financing, warranty contracts and extensions, "rent to rent" contracts, full services contracts, recovery and resale of used equipment... Developed in partnership with its dealerships, these services enable the group to innovate and stand out from the crowd in order to strengthen ties and build loyalty with its customers.

2017 FOCUS

Throughout 2017, the Services & Solutions division compiled the results of actions taken under the roadmap put in place at the end of 2014.
The fleets of machines in operation, (measured by combining the sales of the last 10 years) up once again, also led to an increase in the Division's business activity.

Growth was visible across all regions and all product lines and services. Customer retention improved in the spare parts area of the business, in particular thanks to constantly improving operational efficiency (availability rate, speed of delivery, reasonable prices, e-commerce, promotions).

The S&S division continued to work on reducing the TCO or total cost of ownership with a comprehensive range of solutions aimed at customers, in particular through optimized maintenance ranges, but also, and above all, thanks to the enhanced reliability of the product ranges (with a reduction in warranty costs of over 20%) and actions aimed at further improving the residual value of the machines.
The machine-related service offerings will also be developed: warranty extensions, connected machines, service, rental, used parts and refurbishment contracts.

2018 starts with a new roadmap and a speeding up of projects, especially digital-related projects and those concerning the use of data.

APPLICATIONS
MARKETS

In response to users' requirements, the Manitou group has developed a range of products that perfectly meets the requirements of markets as varied as **agriculture, construction** and a multitude of **industries**. In addition to machines, Manitou also offers these different segments a very wide range of attachments, thus making the machines more versatile and increasing value for users.

CONSTRUCTION

50%

2017 REVENUE

TODAY'S WORLD FOR TOMORROW

AGRICULTURE

30%

2017 REVENUE

HELPING PEOPLE WORK, WHATEVER THE TERRAIN

INDUSTRIES

20%

2017 REVENUE

A HANDLING SOLUTION FOR EVERY INDUSTRY

APPLICATIONS MARKETS

Satisfying customers all over the world, while creating value for them.


MANITOU


GEHL


MANITOU

SALES
REGIONS

AMERICAS

€293M

NET SALES 2017

APAM*

€173M

NET SALES 2017

*ASIA PACIFIC AFRICA MIDDLE-EAST

NORTHERN EUROPE

€602^{M}

NET SALES 2017

SOUTHERN EUROPE

€523^{M}

NET SALES 2017

REGISTRATION DOCUMENT
2017

MANITOU
GROUP

REGISTRATION DOCUMENT FILED WITH THE AMF

AUTORITÉ
DES MARCHÉS FINANCIERS

This registration document was filed with the French Financial Markets Authority (AMF) on 3 April 2018, 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 31 December 2017.

TABLE OF CONTENTS

1. MANITOU AND THE GROUP

5

CONTENTS

1.1. KEY FIGURES

CONSOLIDATED KEY FIGURES

in millions of euros (except for headcount)	2016	2017
Net sales	1 332	1 591
Recurring operating income	71	95
% of sales	5.3%	6.0%
Operating income	70	90
Operating income including net income from equity associates	72	93
Net income - group share	43	60
Shareholders' equity	512	531
Balance sheet total	1 020	1 098
Dividend for the year reported paid (or proposed) in the following year (in euros)*	0.43	0.62
Earnings before depreciation and amortisation	70	82
Net debt***	59	76
Total headcount as at 31.12	3 301	3 900

** Subject to approval of the 2017 financial statements by the Shareholders' Meeting*
***The concept of net debt is defined in paragraph 7.7 of this document*

SHAREHOLDER STRUCTURE AT 31 DECEMBER 2017

Market capitalisation at 31 December 2017: €1 208m

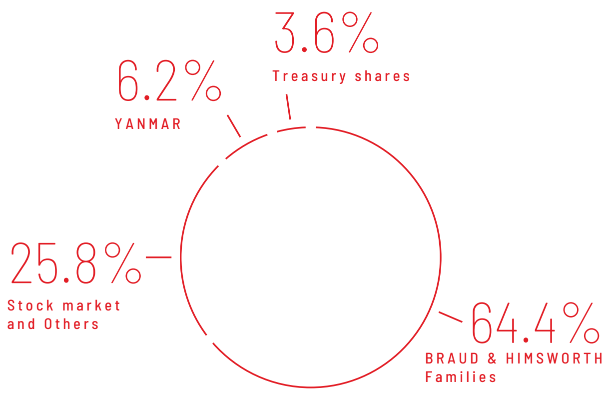
Share price at 31 December 2017: €30.5

Number of shares: 39 621 598

Indices: CAC ALL SHARES, CAC ALL-TRADABLE, CAC IND. ENGIN., CAC INDUSTRIALS, CAC MID & SMALL, CAC SMALL, EN FAMILY BUSINESS, ENT PEA-PME 150

Eligible for long DSS (Deferred Settlement Service) only

The shareholder structure is described in section 5.4 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 internationalisation: creation of distribution subsidiaries in the UK, Italy, etc.

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

1980s The group refocusses 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 internationalisation 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 1 November 2008.

Manitou celebrates its 50th anniversary.

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

2011 Merger with the holding company SFERT as part of a reorganisation 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 1 January 2015.

Yanmar acquires a 6.26% stake in Manitou's capital in place of Société Générale.

2014 Michel Denis appointed President and CEO.

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

2016 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.

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

SIGNIFICANT EVENTS IN 2017

February Presentation of the new range of "NewAg" agricultural telehandlers at the SIMA Trade Fair and launch of the GEHL AL750T articulated loader.

Launch of the online sale of Manitou "original spare parts" for France.

March The Manitou group wins the BFM Business "Pépite à l'export" prize (celebration of French know-how and reward for outstanding international success).

April Rick Alton appointed Chairman of CEP, replacing Dan Miller.

May Acquisition of Terex Equipment Private Limited in India, specialised in the design, manufacture and distribution of construction equipment (backhoe loaders and skid-steers). Manitou confirms its ambitions on the handling market in India and Asia.

June Ms Jacqueline Himsworth appointed Chairman of the Manitou BF Board of Directors, replacing Mr Marcel Braud who becomes Honorary President, Founder of Manitou.

Manitou launches two new products for the construction market (MRT 3050 and MRT 2470) at a Keynote, an event streamed live over the Internet.

Manitou wins a gold medal in the Innovation for Business category at the 11th annual Trophées des Achats ceremony on 19 June 2017 in Paris.

Integration of spare parts management for the North American continent, initially sub-contracted, within the Manitou Americas teams.

July Acquisition of a majority holding in Marpoll Pty Ltd (LiftRite Hire & Sales) based in Perth (Australia), dealer for the Manitou, Gehl, Kalmar and Kobelco brands.

November Participation in Agritechnica, Hanover. Presentation of new machines: 1.8 T rough terrain masted forklift truck (MC18), MLA-T articulated loader and MLT730 and MLT961 telehandlers.

Delivery of the new R&D test centre. This building is used to validate the reliability of new products developed by the MHA division.

December Renewal of Michel Denis' term of office as President and CEO for a period of 4 years until the Shareholders' Meeting of 2022, which will approve the 2021 financial statements.

The "MLT NewAg" range of agricultural telehandlers is awarded the "l'Etoile du design made in France" prize for 2018.

1.3. THE GROUP'S MAIN BUSINESSES

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

The group is organised around 3 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-steers, track loaders, articulated loaders, backhoe 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, full service and fleet management contracts, etc.), after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and end-user services (geo-localisation, user training, advice, etc.). This division develops its service offers to respond to the expectations of each of our customers and to 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 heavy-load), masted forklift trucks (rough terrain, semi-industrial and industrial as well as truck-mounted), aerial work platforms and warehousing equipment.

FIXED TELEHANDLERS

With a range of 6 to 18 metres 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 tradespeople (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 utilisation rate is around 500 hours a year.

Equipment made for the agricultural sector is engineered to withstand intensive daily use. It consists of 6 to 10 metre telehandlers, which can be equipped with a multitude of attachments (bucket, mixing bucket, clamp, etc.) for performing common day-to-day tasks (mucking out, 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 metres 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" HEAVY-LOAD FORKLIFT TRUCKS

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

This equipment, with attachments such as tyre 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 metres.

AERIAL WORK PLATFORMS

The platforms designed and marketed by the group include articulated, telescopic and vertical platforms. They allow a working height of between 8 and 28 metres 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 platform

Electric platform

ROUGH TERRAIN MASTED FORKLIFT TRUCKS

The rough terrain masted forklift trucks are the ideal product for outdoor applications where stability and manoeuvrability are essential. With a capacity of 1.8 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 distributes a wide range of products for use in industrial handling:

- **semi-industrial masted forklift trucks** for use both in outdoor environments on unstable ground (pavements, gravelled surfaces, etc.) and inside buildings or warehouses,
- **internal combustion industrial forklift trucks**, designed by Manitou and produced by an industrial partner, capable of moving on fully stabilised 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 carriers.

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

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 catalogue means that distributors have access to an attractive and complementary range designed to meet the full scope of end users' needs. All of the CEP division's products are marketed under the Gehl and Mustang brand names.

SKID-STEERS

Skid-steers are highly agile, multi-purpose 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 wheels, 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 focussed 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.

BACKHOE LOADERS

In 2017, Manitou added to its offering with a range of backhoe loaders produced by its Indian plant. This range is aimed at the Asian markets and is suitable for the construction industry in these countries.

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 and their resale.

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 metres 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 customised 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 5 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 organises 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.

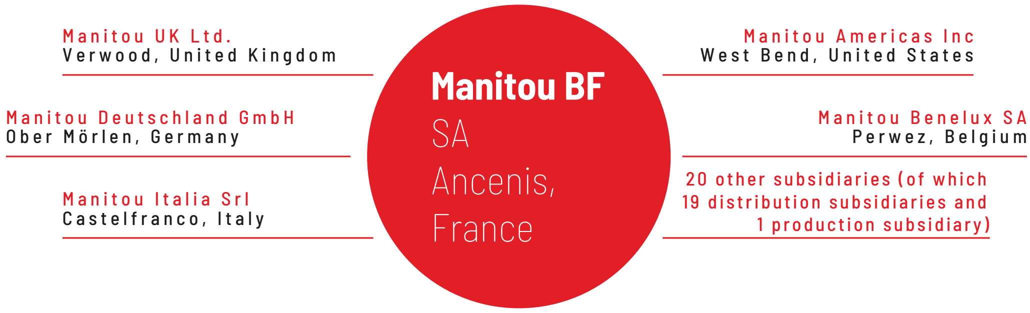
SECOND-HAND EQUIPMENT

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 ORGANISATION CHART AND INFORMATION ON THE MAIN SUBSIDIARIES

1.4.1. GROUP ORGANISATION CHART AT 31 DECEMBER 2017

The detailed list of subsidiaries is available in Note 33 of the consolidated financial statements.



1.4.2. THE GROUP'S MAIN SUBSIDIARIES

MANITOU AMERICAS

One Gehl Way

West Bend Wisconsin 53095 – United States

A 100% owned subsidiary of Manitou BF

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

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

IFRS	2016	2016	2017	2017
Net sales	$329.0m	€297.2m	$365.7m	€323.7m
Net income	-$1.7m	-€1.5m	$3.7m	€3.3m
HEADCOUNT AT END OF PERIOD		714		828

MANITOU ITALIA

Via Emilia – Cavazzona

41013 Castelfranco – Italy

A 100% owned subsidiary of Manitou BF

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

IFRS	2016	2017
Net sales	€212.3m	€245.3m
Net income	€5.6m	€13.1m
HEADCOUNT AT END OF PERIOD	260	261

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	2016	2016	2017	2017
Net sales	£95.6m	€116.7m	£128.6m	€146.7m
Net income	£1.7m	€2.1m	£2.5m	€2.8m
HEADCOUNT AT END OF PERIOD		**41**		**43**

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 key accounts in Germany, Austria and Switzerland. Direct management of a dealership in Germany.

IFRS	2016	2017
Net sales	€81.3m	€101.3m
Net income	€1.4m	€1.6m
HEADCOUNT AT END OF PERIOD	**34**	**36**

MANITOU BENELUX SA

Rue des Andains 2

1360 Perwez – Belgium

A 100% owned subsidiary of Manitou BF

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

IFRS	2016	2017
Net sales	€100.6m	€116.2m
Net income	€1.8m	€2.1m
HEADCOUNT AT END OF PERIOD	**21**	**23**

1.5. PROPERTY, PLANT AND EQUIPMENT

1.5.1. EXISTING TANGIBLE ASSETS

The main wholly owned buildings are:

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

1.5.2. MAIN RENTED BUILDINGS

Country	Location	Approximate floor space in square metres	Main functions
United States	Belvidere, Il.	16 400	Spare parts centre.
Brazil	São Paulo	3 500	Assembly centre for telehandlers for the South American market, offices, training centre and storage facility.
India	Greater Noïda	14 500	Production centre for backhoe loaders, and offices.

2. MANAGEMENT REPORT

CONTENTS

strong growth saw the group's income over the financial year increase by 19% to reach €1 591 million. This growth was seen across all territories and in all markets, against a backdrop of an overall rise in economic growth.

This higher income also benefited from the external expansion achieved in 2017. In this regard, the group decided to extend its industrial footprint by acquiring a manufacturing site in India (€21.2 million) and to expand its commercial presence in Australia (€+5.3 million). On a like-for-like basis, the group's had growth of + 17.5%.

Turnover for the Material Handling and Access (MHA) division rose by 21.2% to reach €1 095 million (€1 094 million on a like-for-like basis). The strongest growth was in sales of telescopic equipment, driven by the commercial success of the new models. Sales of access platforms continued to grow beyond the record figures seen in 2016; they benefited, in part, from strong demand from rental companies, which were able to take advantage of the prolonging of the "Macron" tax breaks.

Turnover for the Compact Equipment Products (CEP) division rose by 20.4% to reach €244 million, based on the current scope of consolidation, and 10.3%, that is to say €224 million, on a like-for-like basis. The resurgence of construction activity in the United States of America contributed to growth in sales of telescopic forklift-trucks. Sales of mini-loaders also grew, with sales of tracked mini-loaders overtaking demand for wheeled mini-loaders.

With a turnover of €252 million, the Services & Solutions (S&S) division saw its sales rise by 12%, based on the current scope of consolidation, as compared with 2016, and 10% on a like-for-like basis. The division's growth in services (rental, second hand, warranty extensions, training) was even more marked, for all that annual performance for parts and attachments sales continued to be good.

2.1. BUSINESS REPORT

2.1.1. COMMERCIAL PERFORMANCE

Group turnover for 2017 increased 19% as compared with the previous financial period, with growth seen over all geographical areas:

Northern Europe saw strong growth (+21%).

All countries in this region experienced growth of 20% to 30%, driven by a highly dynamic construction sector. Only Scandinavia saw more limited growth, due to the dealership reorganisation.

Southern Europe gained 18%.

Sales in the Iberian peninsula advanced strongly across all the markets covered by the group. Sales in France benefited, in part, from the prolonging of the "Macron" additional capital-cost tax allowance, particularly in respect of rental companies that took advantage of the tax incentive to renew their park.

The APAM* region saw a rise of 35% in its sales, including the impact linked to external expansion.

Before changes in the scope of consolidation, turnover for the region rose by 16%. After a long period of crisis, mining activities began to recover in southern Africa and Oceania as well as on the Indian continent.

The Americas was also in expansion phase with turnover up +11%.

Sales in the United States of America and Canada grew by 9%, driven by the thriving construction sector and a rise in order books from major rental companies. South America saw an improvement in the Argentine economy and a gradual recovery in Brazil. Business turnover continued to grow in Central America.

** Asia, Pacific, Africa and Middle East.*

2.1.2. CONSOLIDATED NET SALES

The group is structured into three product and services divisions, with 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 the total breakdown

Net sales 2016						Net sales 2017				
Southern Europe	Northern Europe	Americas	APAM*	TOTAL	In millions of euros and % of total	Southern Europe	Northern Europe	Americas	APAM*	TOTAL
353.5 27%	397.7 30%	66.8 5%	85.5 6%	**903.7** **68%**	**MHA**	421.9 27%	490.9 31%	79.3 5%	103.2 6%	**1 095,2** **69%**
9.9 1%	27.0 2%	149.2 11%	16.7 1%	**202.7** **15%**	**CEP**	13.8 1%	32.5 2%	162.8 10%	34.9 2%	**244.0** **15%**
80.8 6%	71.2 5%	47.2 4%	25.9 2%	**225.1** **17%**	**S&S**	87 5%	78.5 5%	50.9 3%	35.3 2%	**251.7** **16%**
444.3 **33%**	**495.9** **37%**	**263.2** **20%**	**128.2** **10%**	**1 331,5** **100%**	TOTAL	**522.8** **33%**	**601.9** **38%**	**293.0** **18%**	**173.3** **11%**	**1 591** **100%**

** Asia, Pacific, Africa and Middle East.*

VARIATION AT CONSTANT EXCHANGE RATE AND ON A LIKE-FOR-LIKE BASIS

Net sales in millions of euros % vs net sales in 2016	Net sales 2016	Foreign-exchange impact	Change in consolidation scope	Variation excluding foreign exchange and consolidation scope	Net sales 2017
MHA	904 +9%	-5 -1%	1 +0%	195 +22%	1 095 +21%
CEP	203 -15%	-3 -2%	20 +10%	24 +12%	244 +20%
S&S	225 +2%	0 0%	5 +2%	22 +10%	252 +12%
TOTAL	**1 332** **+3%**	**-8** **-1%**	**26** **+2%**	**241** **+18%**	**1 591** **+19%**

SALES PERFORMANCE BY DIVISION

SALES TRENDS - MATERIAL HANDLING AND ACCESS (MHA) DIVISION

In 2017, turnover for the MHA division increased 21% compared with 2016, i.e. + €192 million. The division accounted for 69% of Group turnover in 2017 compared with 68% for the previous year.

The MHA division saw its turnover rise across all markets (construction, agriculture and industry).

MHA ACTIVITY IN SOUTHERN EUROPE

In Southern Europe (€421.9 million, +19%), the division experienced strong growth in the construction sector, in particular on the Iberian peninsula, and grew its market shares among major rental companies, thanks to the low costs of owning its products (see Chapter 4, 4.2, Driving the Reduce programme) and the prolonging of the tax breaks in France on the acquisition of capital goods (Macron Act).

The division also saw growth in its sales of agricultural machinery thanks to the attractions of its "New Ag" range, this range having been awarded the French "Star of Design" by the APCI (French Agency for the Promotion of Industrial Creation).

MHA ACTIVITY IN NORTHERN EUROPE

Turnover in the region (€490.8 million) grew by +23%, i.e. +€93 million.

The trends for Northern Europe were similar to those in southern Europe, with a highly favourable climate for the business sector. All the division's products saw relatively homogeneous growth.

MHA ACTIVITY IN THE AMERICAS

The American continent (€79 million) again saw two-figure growth (+18%).

There was growing interest in North America in the Manitou telescopic machinery range (+8%). The division also developed its client network for agricultural machinery and access platforms.

The highest growth was seen in South America (+50%), thanks to the economic reforms launched in Argentina and Brazil, and it continues to provide the division with major potential for growth.

MHA ACTIVITY IN THE APAM REGION

Turnover in the region (€85.5 million) is on the rise (+20.6%).

The division took advantage of the resurgence in mining activity in South Africa and Australia, as well as the increasing mechanisation in emerging countries (India, Indonesia, Malaysia, etc.).

SALES TRENDS - COMPACT EQUIPMENT PRODUCTS (CEP) DIVISION

Turnover in the CEP division was €244 million, up 20.4%, i.e. +€41 million.

This rise takes into account the acquisition of Manitou Equipment India, a compact equipment manufacturer, that added €19.5 million to the division's turnover for 2017, and the acquisition of the company Marpoll (LiftRite), that added a further €1 million. The division's growth on a like-for-like basis had growth of 11%.

The division's business activities are sensitive to changes in the euro-dollar parity, given both the size of its turnover on the American continent (67%) and the fact that manufacturing is primarily in North American, weighing against distribution in Europe.

The division accounted for 15% of the group's turnover in 2017.

CEP ACTIVITY IN THE AMERICAS

At 31 December 2017, turnover stood at €162.8 million, up +9%.

After a steep fall in the 2016 financial year, the division's telescopic equipment activity recovered by +38% driven by the recovery of the construction market and growth in sales to national rental companies.

Sales of skidsteers and track loaders loaders saw a decline as a result of a highly competitive environment and changes in use in favour of tracked loaders.

CEP ACTIVITY IN SOUTHERN EUROPE

The division had a turnover of €13.8 million, up 40% as compared with 2016.

Italy continues to be the leading market for the distribution of skidsteers and sales on the Iberian peninsula saw remarkable growth.

CEP ACTIVITY IN NORTHERN EUROPE

Turnover stood at €32.5 million in 2017, up 21%.

This sales growth was attributable to the distribution of both skidsteers and track loaders, that is to say a rebalancing of the division's sales in favour of mini-loaders.

CEP ACTIVITY IN THE APAM REGION

Turnover doubled to €34.9 million.

After inclusion of sales in India by Manitou Equipment India, acquired in Spring 2017, of backhoe loaders and mini-loader products, sales dipped slightly by 4%.

While sales grew in Africa and the Middle East, the Asian and Australian markets slipped back, hit by the rise in the dollar in the first part of the year.

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

In 2017, turnover for the division was up 11.8% at €251.7 million, based on the current scope of consolidation, and 9.7% on a like-for-like basis.

Based on the current scope of consolidation, growth in the distribution of parts and attachments reached 8.6%, while services activities grew by 15.2%.

The division accounted for 16% of the group's turnover in 2017.

S&S ACTIVITY IN SOUTHERN EUROPE

Southern Europe is the largest market for the division, representing 35% of turnover for S&S, that is to say €87 million.

Parts and attachments sales activities continued to grow (+6%), principally in Spain, Portugal and Turkey.

Service activities gained 13% with the development of equipment rentals and maintenance activities in Spain and France, where the group owns dealerships.

S&S ACTIVITY IN NORTHERN EUROPE

Activity in Northern Europe is up 10.3% at €78.5 million, or 31% of turnover for the division.

Northern Europe saw the greatest growth for the group in the parts and attachments distribution segment (+9%), thanks to the dynamism in the Russian and Central European markets.

Services activity grew by 27%.

S&S ACTIVITY IN THE AMERICAS

Activity on the continent grew by 8% to €50.9 million.

Sales of parts and attachments increased by 7%, while services were up +16%.

S&S ACTIVITY IN THE APAM REGION

Activity in Asia, Africa and the Middle East was affected by changes in the scope of consolidation but saw growth of +36% to €35.3 million.

On a like-for-like basis, sales rose by 17%, with 19% growth in parts and attachments and 14% in services activities.

2.1.3. ORDER BOOK BY DIVISION

The concept underlying the order book is defined in paragraph 7.7 of this document

Due to its services activities and very short delivery lead-time objective for 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 provide an indication of the potential trends for our markets.

The order book breaks down by division as follows.

In millions of euros	31.12.2016	30.06.2017	31.12.2017
MHA	316.8	427.3	587.2
CEP	27.5	78.6	121.7
GROUP TOTAL	**344.3**	**505.9**	**708.9**

At 31 December 2017, the order book for the MHA division was up 85% compared with the previous year, i.e. +€270 million, despite a very high billing level in the 4th quarter 2017. The order book of €587 million represented 6.5 months of billing based on the turnover for 2017.

The order book for the CEP division was €122 million, as compared with €28 million at the end of December 2016. It represented 6 months of billing based on turnover in 2017.

2.1.4. BREAKDOWN OF SALES BY INDUSTRY SECTOR

The group designs, assembles, and distributes products for the construction, agriculture, and industry sectors.

The group saw growth across all its sectors as compared with 2016.

IN THE CONSTRUCTION SECTOR, turnover in 2017 accounted for half of the group's total turnover, i.e. €790 million, as compared with €605 million, or 46%, in 2016.

IN THE AGRICULTURAL SECTOR, the group's turnover in the agricultural sector represented 30% of the group's total turnover in 2017, i.e. €474 million as compared with €404 million in 2016.

IN THE INDUSTRY SECTOR, the group is present in industries as varied as manufacturing, mining, timber, oil and gas, waste treatment, materials processing, and logistics. Turnover in this sector increased in 2017 to €327 million, as compared with €322 million in 2016. It accounted for 20% of the group's total turnover.

2.1.5. 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 it to focus its efforts on product innovation, the introduction of high-performance, flexible industrial tools, and the construction of sound networks of independent retailers. Our principal competitors have been present in their respective sectors for many years.

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

Name	Nationality	Listed/unlisted
Ausa	Spain	Unlisted
Bobcat (Doosan Group)	South Korea	Listed
Caterpillar	United States of America	Listed
Claas	Germany	Unlisted
CNH Industrial	United States of America	Listed
Dieci	Italy	Unlisted
Genie (Terex Group)	United States of America	Listed
Haulotte	France	Listed
JCB	United Kingdom	Unlisted
JLG (OSHKOSH Group)	United States of America	Listed
John Deere	United States of America	Listed
Magni	Italy	Unlisted
Merlo	Italy	Unlisted

For the MHA division, the main competitors in the industry sector are the following.

Name	Nationality	Listed/unlisted
Kion	Germany	Listed
Jungheinrich	Germany	Listed
Nacco	United States	Listed
Toyota	Japan	Listed

2.2. FINANCIAL RESULTS

2.2.1. CONSOLIDATED INCOME STATEMENT

In millions of euros	2016	2017
Net sales	1 331,5	1 591,0
GROSS MARGIN	**216.6**	**258.7**
% of net sales	16.3%	16.3%
RECURRING OPERATING INCOME	**70.6**	**95.4**
% of net sales	5.3%	6.0%
Other non-recurring operating income and expenses	-1.0	-5.0
OPERATING INCOME	**69.7**	**90.5**
% of net sales	5.2%	5.7%
OPERATING INCOME INCLUDING NET INCOME FROM EQUITY CONSOLIDATED ASSOCIATED UNDERTAKINGS	**72.1**	**92.9**
Financial result	-8.2	-5.4
Taxes	-20.9	-27.3
NET INCOME - GROUP SHARE	**42.9**	**60.1**

In 2017, the group's turnover rose by 19% and its order intakes for machines were up 48%, with an order book at 31 December 2017, that was twice that of the previous year. The increase in sales was across all territories and all business sectors (construction, agriculture and industry) in which the business climate is still moving in the right direction.

Against this backdrop of strong business growth, the group was able to maintain its gross margin at 16.3%, despite efficiency losses following the output increases in all the manufacturing sites, a negative exchange-rate effect and pressure from purchase prices for components and raw materials.

The group pursued its focus on research and development with the aim of renewing its ranges and offering ever more innovative products to its clients (expenditure of +€2.5 million). Marketing and business costs were also increased to foster business development and identify new growth areas (+€11.4 million, including the foreign-exchange impact).

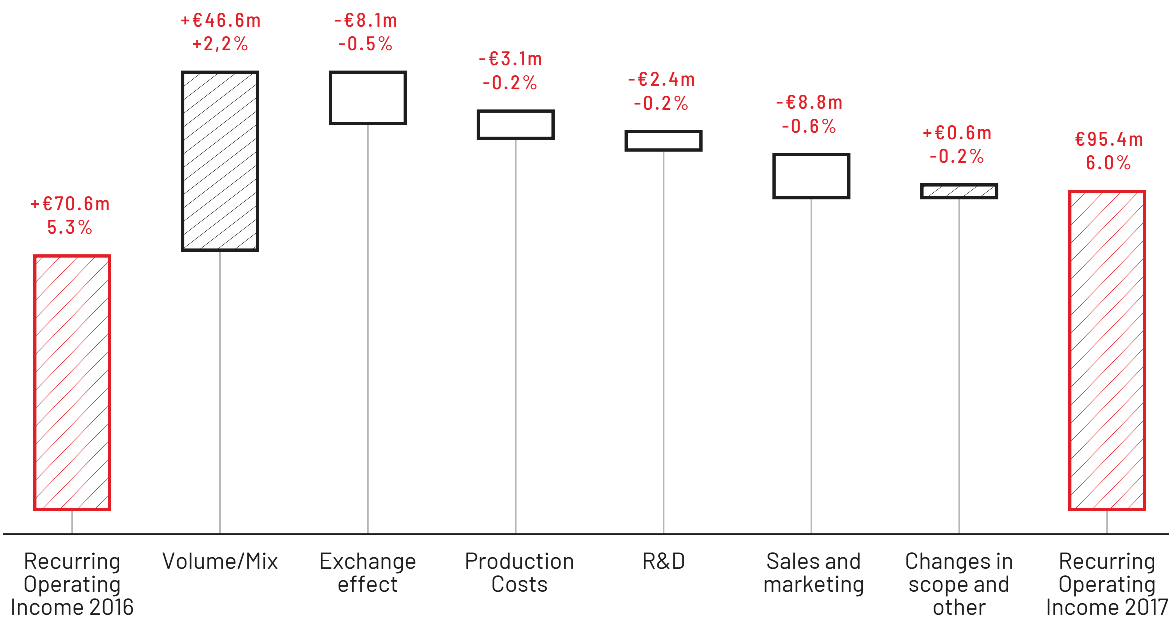
The controlled rise in overheads, against a backdrop of strong business growth, resulted in a rise in the recurring operating income of 30% to reach €95 million, that is to say 6% of turnover as compared with 5.3% in 2016.

The group had non-recurring expenditure of €5 million, primarily consisting of legal expenses for intellectual property proceedings and expenses relating to acquisitions during the year.

The financial income increased by €2.7 million, of which €1.2 million corresponded to renegotiation costs recognised in 2016 for the renewal and extension of credit line maturities.

The group's net income closed the year at €60.1 million, as compared with a net income of €42.9 million for the previous financial year.

CHANGE IN GROUP OPERATING PROFIT BETWEEN 2016 AND 2017



2.2.2. INCOME STATEMENT BY DIVISION

In millions of euros	MHA	CEP	S&S	2016	MHA	CEP	S&S	2017
Net sales	903.7	202.7	225.1	1 331,5	1 095,2	244.0	251.7	1 591,0
GROSS MARGIN	**139.7**	**21.1**	**55.8**	**216.6**	**163.4**	**29.6**	**65.7**	**258.7**
% net sales	15.5%	10.4%	24.8%	16.3%	14.9%	12.1%	26.1%	16.3%
CURRENT OPERATING INCOME	**62.3**	**-6.0**	**14.3**	**70.6**	**76.1**	**0.1**	**19.3**	**95.4**
% net sales	6.9%	-2.9%	6.3%	5.3%	6.9%	0.0%	7.7%	6.0%
Other non-recurring operating income and expenses	-0.5	-0.2	-0.2	-1.0	-5.0	0.3	-0.3	-5.0
OPERATING INCOME	**61.8**	**-6.2**	**14.1**	**69.7**	**71.1**	**0.3**	**19.0**	**90.5**
% net sales	6.8%	-3.1%	6.2%	5.2%	6.5%	0.1%	7.6%	5.7%
OPERATING INCOME, INCLUDING INCOME FROM EQUITY CONSOLIDATED ASSOCIATED UNDERTAKINGS	**61.3**	**-6.2**	**17.1**	**72.1**	**70.7**	**0.3**	**21.9**	**92.9**

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

The MHA division posted an increase in its turnover of 21%, or +€191.5 million, thanks to the dynamism of its markets combined with the launch of new products.

The margin for the division after sales costs rose by 17% to reach €163.4 million, up €23.7 million in comparison with the previous year. Nevertheless, the margin as a percentage of turnover contracted by 14.9% as compared with 15.5% in 2016. This change is explained by the adverse change in foreign-exchange rates, primarily against the pound sterling and the US dollar (an impact of -0.9 points) and by the efforts involved in organising manufacturing and the logistics chain to meet strong demand.

Expenditure on research and innovation was up €2.3 million.

Structure costs rose by just €7.7 million (+12%), of which €4.9 million consisted of commercial costs to support the division's development. Despite the strong foreign-exchange impact, this made it possible to maintain the current income on a par with that of 2016 - i.e. 6.9% or €13.7 million - so that it reached €76.1 million and +22%.

The division's operating income was €71.1 million, as compared with €61.8 million, an increase of €9.3 million as compared with 2016, allowing for non-recurring expenses of €5 million as compared with €0.5 million in 2016.

INCOME STATEMENT FOR THE COMPACT EQUIPMENT PRODUCTS (CEP) DIVISION

Turnover for the CEP division increased by 20% and was up by €41.3 million, as compared with the previous financial year, at €224 million, including a favourable impact of +€19.5 million from the merger of Manitou Equipment India.

The margin after sales costs benefited from both a strong rise in demand, in the USA and for export, and from a positive euro-dollar foreign-exchange effect favouring the export to the Eurozone of goods manufactured in the dollar-zone.

This margin ended the financial year at 12.1%, up 1.7 points or €8.5 million, as compared with 2016, despite the pressure on raw materials that impacted on income (-0.6 points).

Research and development costs and structure costs for the division over the period remained level on a like-for-like basis, giving the division a recurring operating income that was unchanged at +€0.1 million, as compared with -€0.6 million in 2016.

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

The S&S division posted 12% growth in turnover to reach €251.7 million, i.e. an increase of +€26.6 million.

Sales of services, a highly profitably activity, rose more rapidly than sales of parts and attachments. This rise amounted to 17% of income, as compared with 15% in 2016.

The division's margin after sales costs therefore improved by +1.3 points to reach 26.1%.

Structure costs increased by €4.8 million.

Recurring operating income improved by +1.4 points to €19.3 million, or 7.7%.

2.2.3. FINANCIAL STRUCTURE

Reflecting the strong growth in business, the operating working capital requirement, excluding sales financing, rose by 7% to €433 million as compared with €405 million the previous financial year. This rise was primarily due to to the need for inventories of components and work in progress to respond to the rise in output of the manufacturing chains (+€17 million) and inventories of products for resale (+€6 million).

At 31 December 2017, shareholders' equity was €533 million, as compared with €512 million at 31 December 2016. Shareholders' equity represented 49% of the total balance sheet as compared with 50% in 2016.

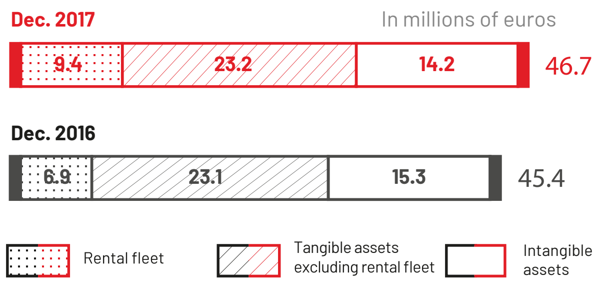
The group's net debt increased significantly to €76 million, as compared with €59 million at the end of 2016. Gearing rose from 11% to 14%.

2.2.4. INVESTMENTS

The group realized investments at a level close to that of 2016, that is to say €46.7 million as compared with €45.4 million in 2016.

Intangible investments accounted for 30% of investments, i.e. €14.2 million. They are consistent with development costs for new products or technologies (€7.6 million) and investments in IT solutions (€6.6 million).

Tangible investments accounted for 70% of investments, of which 7% was in buildings, 43% in industrial equipment and 20% in fleets of equipment, with the group pursuing its strategy of developing services, including rental activities.



SUMMARY OF INVESTMENTS BY TYPE

In thousands of euros	31.12.2016	31.12.2017
Development costs	10 787	7 593
Other intangible fixed assets	4 534	6 561
TOTAL INTANGIBLE FIXED ASSETS	**15 322**	**14 153**
Land	1 221	1 846
Buildings	4 066	1 360
Plant, machinery and equipment	4 141	6 242
Rental fleet	6 946	9 368
Other tangible fixed assets (excl. rental fleet)	7 927	7 341
Tangible fixed assets under production	5 763	6 365
TOTAL TANGIBLE FIXED ASSETS	**30 064**	**32 522**

PRINCIPAL INVESTMENTS IN PROGRESS

At the time of filing of this reference document, there were no individually material projects in progress other than the replacement of the ERP (Enterprise Resource Planning) software package for French entities within the group, a project initiated in 2017.

FUTURE SIGNIFICANT INVESTMENTS

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

2.2.5. CASH FLOW

Gross cash flow increased from €11.7 million to €82 million, as compared with €70.3 million in 2016. This improvement is due to the continuing increase in the group's profitability.

The change in working capital increased by €36.2 million, due in particular to the increase in stocks of +€45.6 million to allow for the strong increase in manufacturing output and customer demand.

This change was partially offset by an increase in trade accounts payable.

Operating cash flow was €35.2 million, as compared with €71.4 million in 2016.

Investment flows, at €35.2 million, remained at a level equivalent to 2016. The group also distributed dividends amounting to €16.4 million.

Thus, at 31 December 2017, cash flow was €34.1 million, as compared with an opening cash flow of €49.2 million.

2.2.6. PARENT COMPANY MANITOU BF

MANITOU BF REVENUE

Turnover for Manitou BF was up 23% at €1 165 million as compared with €951 million in 2016, driven by strong growth in sales of telescopic forklift-trucks.

From a geographical viewpoint, southern Europe and the APAM (Asia, Pacific and Middle East) region saw the greatest increases, for all that Northern Europe and the Americas also expanded, with all regions experiencing a two-figure rise.

MANITOU BF RESULTS

in 2017, the operating profit was €45.7 million, up 18% as compared with the previous year.

The gains from a sharp rise in activity were wiped out by major pressure on margins due to rising raw material prices that could not be offset immediately by increasing sales prices given the size of the order book.

Reorganisation was required as a result of the rapid rise in manufacturing output and this impacted negatively on profitability for the financial year.

The financial result was down €13 million, as a result of the downward revision of the value of equity securities by -€8 million (the effect of the USD primarily), while the adjustment in 2016 had been positive, at +€10 million, and dividends received increased positively to €2 million, as did net foreign-exchange gains, rising to +€2 million.

Exceptional income fell by €3.9 million, to €1.9 million, 2016 having having benefited from a writeback of the provision on treasury shares.

Despite lower taxable profits in 2017, the tax expense rose as a result tax loss carryforwards coming to a close at the end of 2016 and of the negative net impact of the extraordinary tax (15% tax) decided by the French Government in December 2017.

The net profit was €38 million, as compared with €54 million in 2016.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) DATA

The principal aggregated items for Manitou BF under IFRS standards are a turnover of €1 139 million, a recurring operating income of €55 million and a net income of €44 million.

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, financial leasing and long-term rental solutions for end users of Manitou products in France.

In 2017, the entity had a financial output of €53.7 million. The net income was €2.4 million, accounted for under the equity method at €1.2 million.

MANITOU FINANCE LTD

This company, 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, offers financing, financial leasing and long-term rental solutions for end users of Manitou products in the United Kingdom, as well as stock financing solutions for dealerships. Medium-term financial output reached €65.7 million in 2017. Net income after tax of €3.4 million was accounted for under the equity method for €1.7 million in the group accounts.

2.2.8. OTHER INFORMATION RELATING TO THE 2017 FINANCIAL YEAR

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

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the accounts for the financial year just ended included a sum of €581 150, corresponding to rental charges and the non-tax-deductible portion of attendance allowances.

INFORMATION RELATING TO ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The financial statements of Manitou Group at 31 December 2017, were drawn up, on the balance-sheet date, in accordance with the IFRS standards, as adopted by the European Union. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the Standard Interpretations Committee (SIC) interpretations thereof (endorsed by the IFRIC).

The accounting methods and evaluation rules applied by the group in the consolidated financial statements at 31 December 2017, were identical to those used in the financial statements at 31 December 2016.

All companies were consolidated using the full consolidation method, with the exception of Manitou Finance Ltd., Manitou Finance France SAS and Hangzhou Manitou Machinery Equipment, which were accounted for under the equity method.

UTILIZATION OF THE TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT LEVY (CICE)

Manitou BF booked a tax credit of €3.3 million against payroll expenses corresponding to the CICE levy for the financial year. This tax credit was used in accordance with the objectives laid down by 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 financial year, the balance of debts to suppliers, broken down by payment due date, is as follows.

Payment period	0 days	1-30 days	31-60 days	61-90 days	91 days or more	TOTAL 1 day or more
Number of bills concerned (A)	-					3 827
Total amount of the bills concerned before tax (millions of euros)	-	6.4	1.8	1.2	3.4	12.8
Percentage of total purchases before tax for the financial year	-	0.65%	0.18%	0.12%	0.35%	1.30%
BILLS EXCLUDED FORM (A) RELATING TO ACTIONABLE DEBT OR CLAIMS NOT BOOKED TO THE ACCOUNTS						
Number of bills excluded						1 237
Total amount of bills excluded (millions of euros)						0.9

The payment period used for these calculations is the contractual period. It is based on the statutory periods, although they may be shorter for certain suppliers (45 days from the end of the month for goods not imported, 30 days for carriers and certain service providers, and less than 30 days for certain other service providers).

INFORMATION ON PAYMENT PERIODS FOR CLIENTS 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 financial year, the balance of bills issued but not settled by our clients, broken down by payment due date, is as follows.

Payment period (a)	0 days	1-30 days	31-60 days	61-90 days	91 days or more	TOTAL 1 day or more
Number of bills concerned	-					7 786
Total amount of the bills concerned before tax (millions of euros)	-	11.5	2.8	0.1	0	14.4
Percentage of total turnover before tax for the financial year	-	1.01%	0.25%	0.01%	-0.01%	1.26%
BILLS EXCLUDED FORM (A) RELATING TO ACTIONABLE DEBT OR CLAIMS NOT BOOKED TO THE ACCOUNTS						
Number of bills excluded						0
Total amount of bills excluded						0

For France, the payment periods used for these calculations are the minimum statutory periods, if not shorter for certain clients (45 days from the end of the month). For exports, the periods vary depending on the geographical region concerned.

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, and the development of new designs, services and concepts, as well as updating existing ranges to prepare for legislative and regulatory changes.

In 2017, Manitou continued to roll out innovations to improve the user experience, reduce the impact of the equipment on the environment or improve performance, in particular by launching a new connected diagnostic tool (iV - interactive View) to improve 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 statutory and regulatory requirements relating to harmful emissions, noise, visibility, safety, electromagnetic compatibility, the environment, etc. Changes in these requirements are among the common issues faced by Manitou and its competitors. The corresponding time scales for compliance are known several years in advance.

For example, in 2017, The Manitou group adapted its machines to the European "Tractors" Directive, which notably authorizes agricultural vehicles to drive at 40km/h on roads. This Directive imposes major technical changes to agricultural machinery (braking, steering, visibility, etc.).

In the coming years, the main regulatory change will be the European Stage V standard. This 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 require the development and installation of particle filters and result in an increase in engine prices.

The move to the Stage V standard is made easier by the option of stocking 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 for up to 18 months after the effective date for Stage V. Manufacturers will have an additional period of six months in which sell the stocks of machines in which these old-generation engines are installed.

CHANGES IN DEVELOPMENT COSTS

In millions of euros and % of turnover for the financial year	2016 Amount	2016 % of net sales	2017 Amount	2017 % of net sales
Capitalized expenses	10.3	0.8%	7.7	0.5%
Capitalized expenses and amortisation allowance	18.3	1.4%	20.8	1.3%
TOTAL	**28.6**	**2.2%**	**28.5**	**1.8%**

The group maintained its research and development costs in order to pursue the product plan established and to comply with the changes in requirements applicable to its products.

NEW PRODUCTS

The group continues to renew its product ranges in order to incorporate the changes in requirements and to make substantial improvements for its users.

2017 saw the launch of the new range for the agricultural market (New Ag) and the renewal of the masted forklift-trucks range.

Innovation within Manitou is intended to offer new solutions for machines, attachments and associated services, and to reduce the operating costs for these machines while at the same time improving their performance.

It is the result of:

- studies that provide a better understanding and appreciation of the technological changes that affect the group's businesses;
- ongoing monitoring of technological changes occurring in associated industry sectors (automotive, etc.);
- close collaboration 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:

- owners, who expects high performance and a return on their investment;
- users, or drivers, who expects safety, usability and ease of use;
- those in charge of maintenance, who expects reliability and a high level of associated 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 2017 financial year was 77. In addition, 7 patent applications were filed in 2017.

Individually, none of the patents is strategic for the group. This does not therefore result in any reputational dependence.

2.4. STOCK MARKET INFORMATION

LISTING OF MANITOU SHARES

Manitou shares have been listed since April 24, 1984. They are listed on the Euronext Paris market compartment A.

SHARE CODE AND TICKERS

ISIN:	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-PMEs (French share-based savings schemes for financing SMEs).

INDEXES
CAC ALL SHARES
CAC ALL-TRADABLE
CAC IND. ENGIN.
CAC INDUSTRIALS
CAC MID&SMALL
CAC SMALL
EN FAMILY BUSINESS
ENT PEA-PME 150

2.4.1. SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Period	Volume	Highest EUR	Lowest EUR	Month end	Market capitalisation (millions of euros)
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**		

Period	Volume	Highest EUR	Lowest EUR	Month end	Market capitalisation (millions of euros)
January 2017	525 639	21.5	18.4	21.2	837
February	333 820	22.4	20.1	20.9	827
March	475 970	24.5	21.0	24.5	969
April	425 457	29.7	23.9	29.0	1149
May	434 260	31.5	25.7	28.6	1132
June	366 418	29.2	27.1	27.3	1082
July	232 031	29.7	27.2	29.7	1175
August	195 022	31.5	27.4	27.6	1094
September	258 172	32.9	27.5	31.8	1258
October	378 329	34.8	31.6	34.0	1347
November	361 135	34.0	27.3	31.4	1244
December	225 638	32.7	29.9	30.5	1208
TOTAL/HIGHEST/LOWEST	**4 211 891**	**34.8**	**18.4**		

Source: Euronext

2.5. EVENTS AFTER THE BALANCE-SHEET DATE AND OUTLOOK

2.5.1. EVENTS AFTER THE BALANCE-SHEET DATE

None

2.5.2. OUTLOOK

OUTLOOK FOR 2018

The Manitou group anticipates growth in its income, at constant exchange rate, of 10% and an improvement in its recurring operating income of about 50 basis points, that is to say around 6.5% of its income.

NEW ROADMAP FOR 2018-2022

Manitou has set itself the objective of achieving turnover that exceeds the market dynamics by extending its geographical presence, expanding its product ranges and building its innovation processes.

The strategic priorities in this regard will be the following:

- To improve customer engagement across the continents, and in particular in North America;

- To grow the group's portfolio of machines and services, in particular in compact equipment;

- To create value and performance through innovation, digital technology and transformation, in particular by using corporate social responsibility (CSR) as a driver for change;

- Develop the group's talents, in particular by fostering and maximising the experience of our staff.

Based on these factors, the Manitou group's objective is to achieve a recurring operating income in 2022 of more than 8% of turnover.

3. RISK FACTORS AND RISK MANAGEMENT

29

CONTENTS

The company conducted a review of the risks that could have a material adverse impact on its business, its financial situation or its results (or ability to achieve its objectives) and held that they were no material risks other than those presented herein.

3.1. FINANCIAL RISKS

Financial risks are the responsibility of the financial divisions of the parent company and of each subsidiary. All strategic decisions related to the group's financial-risk hedging policy are managed by the Finance division in a Financial Hedge Management Committee. Note 9 of the notes to the consolidated accounts refers to this paragraph on financial risks.

3.1.1. FINANCING AND LIQUIDITY RISKS

FINANCING RISK

Difficulty in, or partial or total impossibility of, renewing existing financing or putting new financing in place. Financing risks could affect the ability of the group to meet its payment commitments, its financing costs or the restrictive constraints attaching to its financing.

LIQUIDITY RISK

The impossibility of meeting a payment obligation on its maturity date.

MANAGING FINANCING AND LIQUIDITY RISKS

The Finance division has the task of ensuring that the group has financing and liquidity at the most advantageous cost and under the best terms and conditions.

Management of the group's cash is centralized with the parent company insofar as permitted by local legislation and operational constraints. Cash surpluses are therefore placed by the subsidiaries with the parent company, from where the group's financing needs are funded.

The group's financing needs are met, firstly, through bank financing arrangements (bank credit or overdraft agreements) and, secondly, through bond issues, with the aim of diversification.

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

At 31 December 2017, total authorized bank credit facilities amounted to €186 million, in addition to €62 million in authorized ordinary overdrafts.

Net debt* amounted to €76 million at 31 December 2017.

CREDIT AGREEMENT OF DECEMBER 2016

In 2016, Manitou BF rearranged and extended its main financing contract for a 5-year term, with two options for one-year extensions. This contract includes ratio clauses (covenants) and "material adverse change*" and "cross default*" clauses that could restrict the possibilities for drawdown or affect the term of the credit facilities. It includes "negative pledge*" clauses to which thresholds and exemptions are attached.

At 31 December 2017, the covenants applying to all the financing facilities had been complied with and the existing facilities will cover all the financing requirements for 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, on the date of on which this document is filed, believes that it will be able to meet its future payment deadlines.

** Terms defined in paragraph 7.7.*

FINANCIAL LIABILITY PAYMENT SCHEDULE AT 31 DECEMBER 2017

Credit facilities in millions of euros	Beneficiaries	Maturity	Amount in local currency	Amount in euros	Amounts drawn down at 31/12/2017	Less than 1 year	1 to 5 years	Over 5 years
CREDIT AGREEMENT (DEC. 16)								
Revolving Facility *multi-currency (USD/euros)*	Manitou BF or Manitou Americas	Dec. 22	180	180	44	44	0	0
OTHER FINANCIAL LIABILITIES								
Bond 1	Manitou BF	Oct. 18	7	7	7	7	0	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 bank loans	Manitou BF	Dec. 24	5	5	5	1	3	1
Other*	Miscellaneous		62	62	10	10	0	0
GROUP TOTAL				**291**	**103**	**62**	**40**	**1**
Finance lease loans					0			
Derivative instruments					2			
Shareholder agreements (buyback commitment for minority interests) and others					13			
TOTAL FINANCIAL DEBT					**118**			
Cash and financial assets					42			
Total net debt					76			

** Ordinary bank overdrafts*

The bank margin applied to the Revolving Facility varies from 75 to 175 basis points, depending on a leverage ratio* divergence of up to 3.5. At 31 December 2017, the leverage was 0.6.

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

At 31 December 2017, the payment schedule for assets and liabilities linked to financing amounted to €291 million, of which €103 million had been drawn down by that date. In addition, it should be pointed out that the group had ordinary bank overdraft facilities amounting to €62 million on the publication date (not including the Revolving Facility and debts linked to the sales financing activity). For further details please refer to note 9.6 of the notes to the consolidated accounts in this reference document.

SUMMARY OF THE TERMS AND CONDITIONS ATTACHING TO THE CREDIT FACILITIES

Facility	Signatory	Main contractual clauses 2nd half of 2016 to first half of 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

Note 9, "Current and non-current financial liabilities" in the notes 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 complied with on the date on which this reference document was filed.

** Terms defined in paragraph 7.7.*

3.1.2. INTEREST-RATE RISK

INTEREST-RATE RISK

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 interest-rate changes would have on the group's financial expenditure.

INTEREST-RATE RISK MANAGEMENT

The interest-rate management policy is coordinated and supervised by the Finance division of the parent company with the aim of protecting future cash flows and optimizing and reducing volatility and finance costs.

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

CREDIT FACILITIES

The group has financial debts for its general operational financing. These commitments are partly based on a variable interest rate. The risk of interest-rate changes has been partially hedged by various financial instruments (variable rate-fixed rate swaps, variable rate-variable rate swaps, etc.).

It is always possible that the interest rate on any unhedged portion of loans may rise in the future. This could have a negative impact on the group's net profit and financial position. Sensitivity to interest rates and the hedge rate are set out in the table below. The sensitivity tests show the impact on pre-tax profit. No impact on equity capital was identified.

INTEREST-RATE HEDGING AND DEBT SENSITIVITY

Hedging of the confirmed bank debt at a variable interest rate	Hedge rate			
	Fixed-rate hedge	Cap	Total*	Impact of a +0.5% interest-rate change**
31.12.2017	55%	55%	100%	
31.12.2018	0%	55%	55%	-€0.017 million
31.12.2019	0%	55%	55%	€0.078 million
31.12.2020	0%	55%	55%	€0.078 million

** On the basis of the variable-rate bank debt at 31 December 2017.*

*** On the basis of the 3-month Euribor rate of -0.329% applied on 31 December 2017 (pre-tax profit impact), disregarding the impact of hedging.*

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

3.1.3. FOREIGN-EXCHANGE RISK

Foreign-exchange risk: corresponds to the impact of exchange-rate fluctuations on the profit and loss account, balance sheet and/or cash generation. The exchange-rate risk arises either when transactions are undertaken or on exposure through conversion.

All major contractors, as defined by the OECD guideline, bear the exchange-rate risk arising from the sale of their products. In view of the respective size of the organizations and the geographical spread of product distribution, Manitou BF is the most sensitive company in the group and incurred exchange-rate losses in 2017.

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

The group strives to minimize the exchange-rate risk of each entity in relation to its operating currency. The Finance division of the parent company or, more rarely, of the subsidiaries, hedges the most significant flows against exchange-rate risks for the net amount of their currency exposure after allowing for purchases made in foreign currency.

In 2017, the group billed about 34% of its sales in foreign currencies, mainly in US dollars (18%), sterling (8%), Australian dollars (3%) and Russian roubles (2%), the other currencies being the South African rand (2%), the Singapore dollar, the Indian rupee, the Brazilian real and the Chinese yuan. In 2017, exchange-rate hedges mainly consisted of forward sales of Sterling, Australian dollars, Russian roubles and South African rands, or or forward put options on these currencies.

A significant exchange-rate change could affect the Manitou group's profits due to the impact on currency conversion that it would generate and the pressure it might exert on sales prices in certain geographical regions.

The sensitivity analysis was conducted on the basis of the situation with regard to receivables, debts, net cash and financial assets available for sale at 31 December 2017, for the main currencies used by the group in its business activities.

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

31.12.2017 In thousands of euros Receivables and debts denominated in a foreign currency Breakdown 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, INR)	745	1 572	537	514	0	260	202	9
Debts (GBP, USD, BRL)	0	-199	-181	0	0	0	-13	0
Net cash and cash equivalents (AUD, GBP, USD, ZAR, SGD, BRL)	134	106	-23	5	117	0	8	0
SUB-TOTAL	**878**	**1 479**	**333**	**520**	**117**	**260**	**197**	**9**
AUD								
Receivables (euros)	-75							
Debts (euros)	31							
Net cash and cash equivalents (euros)	19							
SUB-TOTAL	**-24**							
GBP								
Receivables (euros)		-191						
Debts (euros)		4						
Net cash and cash equivalents (euros)		-118						
SUB-TOTAL		**-306**						
USD								
Receivables (euros)			-461					
Debts (euros)			171					
Net cash and cash equivalents (euros)			-56					
SUB-TOTAL			**-346**					
ZAR								
Receivables (euros)				0				
Debts (euros)				7				
Net cash and cash equivalents (euros)				0				
SUB-TOTAL				**7**				
SGD								
Receivables (euros)					-199			
Debts (euros)					175			
Net cash and cash equivalents (euros)					-95			
SUB-TOTAL					**-119**			
RUB								
Receivables (euros)						-45		
Debts (euros)						86		
Net cash and cash equivalents (euros)						0		
SUB-TOTAL						**41**		

31.12.2017 In thousands of euros Receivables and debts denominated in a foreign currency Breakdown 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%
BRL								
Receivables (euros)							0	
Debts (euros)							223	
Net cash and cash equivalents (euros)							-321	
SUB-TOTAL							**-98**	
INR								
Receivables (euros)								0
Debts (euros)								1
Net cash and cash equivalents (euros)								0
SUB-TOTAL								**1**
TOTAL	**855**	**1 173**	**-13**	**527**	**-2**	**301**	**99**	**10**

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

Vs EUR In thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
AUD	18 447	0	18 447	-26 045	-7 598
GBP	35 243	-4 181	31 062	-81 134	-50 072
USD	10 789	-3 792	6 997	8 483	15 480
ZAR	10 911	0	10 911	-9 742	1 169
Other currencies	12 505	-264	12 241	-12 153	88
TOTAL	**87 895**	**-8 237**	**79 658**	**-120 591**	**-40 933**

Vs USD In thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUR	9 825	-3 256	6 569		6 569
Other currencies	36	-12	24		24
TOTAL	**9 861**	**-3 268**	**6 593**	**0**	**6 593**

Vs GBP In thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUR	5 885	-77	5 808		5 808
Other currencies					
TOTAL	**5 885**	**-77**	**5 808**	**0**	**5 808**

** Apart from the open positions at 31 December 2017, the group hedged part of its future operating transactions in foreign currencies. The derivative instruments contracted for these future transactions were treated as cash flow hedges, since there is a hedging relationship within the meaning of accounting standard IAS 39. We would also specify that the impact of the sensitivity tests is recognised in the pre-tax profit account. No equity capital impact was identified. For further details, please refer to note 9.8 of the notes to the consolidated accounts at 31 December 2016, chapter 6.1.5.*

CONVERSION RISKS FOR THE PROFIT AND LOSS ACCOUNT

Exchange-rate fluctuations have an impact on the consolidated results as a result of conversion into euros of the foreign currency profit and loss accounts of subsidiaries.

The group does not hedge this type of risk. The table below sets out the breakdown of net sales, operating income and net income by operating currency.

Currency exposure			31.12.2017
Currency (In millions of euros)	**Sales**	**Operating income**	**Net income**
USD	272	4	3
GBP	147	5	4
ZAR	29	1	0
AUD	50	3	2
SGD	19	1	0
Other	70	1	0
TOTAL	**587**	**14**	**9**

CONVERSION RISKS FOR THE BALANCE SHEET

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

Sensitivity analysis			31.12.2017
Currency (In millions of euros)	**Net investment**	**Hedge %**	**Impact on equity capital of a 5% euros fluctuation**
USD	167	0%	-8
GBP	19	0%	-1
ZAR	16	0%	-1
AUD	12	0%	-1
SGD	7	0%	0
Other	18	0%	-1
TOTAL	**239**	**0%**	**-12**

3.1.4. CREDIT RISK

Credit risk is the risk that a counterparty may default on its contractual commitments or the risk inherent in the collection of receivables.

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

In millions of euros	2016	2017
Sales financing receivables	4	6
Trade accounts and other receivables	279	325
Other receivables	28	32
Cash and cash equivalents	54	40
TOTAL	**365**	**403**

MANAGING CREDIT RISKS

Client risks are managed by the financial divisions of the various entities. The largest of them have credit-management teams. Each entity establishes management procedures, measuring instruments and rules on writedowns of outstanding client amounts. The most sensitive cases are monitored and handled in conjunction with the Credit Management Department of the parent company.

In most of the entities, credit risk is partially or totally covered by credit insurance. Credit risks may also be offset or limited by collateral or specific guarantees.

In addition, the group's client base is highly fragmented. Consequently, in 2017, no individual client accounted for more than 2% of the consolidated turnover.

The Financial division also ensures that bank counterparty risk is diversified among top-ranking institutions. For further details, please refer to note 11 of the notes to the consolidated accounts at 31 December 2017.

3.1.5. RISKS RELATED TO SHARES AND OTHER FINANCIAL INSTRUMENTS

None

3.1.6. RISKS RELATED TO EMPLOYEE BENEFITS

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 care and post-employment life-assurance scheme.

Generally, these defined benefit schemes are partially covered by funds paid to insurance companies that invest them in equities, bonds, real estate or the like. Unfavourable changes in the values of the assets funding the schemes expose the group to a need to make additional payments to meet the minimum funding obligations imposed by certain schemes or to meet its commitments.

For further details, please refer to notes 1.19 and 17 of the notes to the consolidated accounts at 31 December 2017, chapter 6.

3.2. OPERATIONAL RISKS

The group is exposed to risks related to the economic cycles in its different markets, risks related to rising costs of raw materials, components and energy and to risks in relation to any portion of client receivables not covered by credit insurance. With regard to the cyclic nature of the markets by business sector, please refer to sections 2.1.2 (breakdown of sales by business sector) and 3.2.4 (country risk).

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.

The production tool output limits of some suppliers or a shortfall in the resources available to suppliers to finance their development or withstand volatility in their business activities constitute risks for the parent company and its subsidiaries. This risk is all the greater when there is strong business growth.

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

Manitou is not totally dependent on any one supplier. However, replacement of a supplier may involve 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 managed on the basis of the following:

- supplier mapping to measure their level of criticality;
- classification of supplier performance in order to identify the most critical 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 conducted by the 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 for substitution or avoiding duplication of the most sensitive supplies.

Among the divisions, the following lines have been identified for improving the reliability of supplier performance:

- strengthening contractual agreements with key suppliers;
- establishing a supplier rating system providing qualification and certification levels;
- strengthening performance measurement and action-plan monitoring systems;
- reforming the panel of suppliers established for each product category purchased based on precise and measurable specifications. The aim of this project is to gradually rationalize the number of suppliers while extending the geographical catchment area.

Share of the 10 main suppliers in material purchases in 2017 (%)	
1st	4%
First 5	17%
First 10	25%

The main supplier accounts for just 4% of purchases of materials and components.

Legislative changes make it essential to keep up with technical developments in line with the time tables 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 the 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 portion 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 could undermine the profitability of the company, as price increases cannot always be passed on to our clients.

The group cannot use commodity hedging instruments for the following reasons. A finished product is made up of 1 500 to 2 000 basic components. The share of value added incorporated by suppliers in the unit value of each component varies substantially, depending on the extent to which each item is processed.

This highly diffuse situation, combined with purchase price indexation or renegotiation clauses imposed by suppliers, changes the correlation between purchase price changes and 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);
- internal-combustion 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 at 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, in Castelfranco in Italy and in Yankton, Waco and Madison in the United States are the main production units. The Ancenis centre has 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 Centre to anticipate these risks and contain their immediate effects.

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 control system that ensures the quality and reliability of the manufactured equipment.

For new products, a product control and approval process has been implemented to check the quality of components and their compliance with the specifications as regards 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 with regard to existing or future product ranges. If such cases emerge, they would affect the group's net profit and financial position.

For further details, please refer to section 2.3.

3.2.4. COMMERCIAL RISKS

RISK OF NON-RENEWAL OF MAJOR CONTRACTS

PARTNERSHIP WITH YANMAR

In 2012, the Manitou group signed partnership agreements 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 the agreements covering the United States, Manitou Americas distributes Yanmar compact excavators under the Gehl and Mustang brands, while Yanmar Americas distributes Compact Equipment Products mini-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 PARTNERSHIPS

In addition, the Manitou group distributes forklift trucks under a dealership agreement in France.

COUNTRY RISKS

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

An unfavourable economic environment could affect 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, and in particular: GDP volatility, economic and political instability, possible civil unrest, regulatory changes, payment collection problems, major interest-rate and exchange-rate fluctuations, a lack of foreign currency liquidity and exchange-rate control measures. For further details of the management of distributor-related risks, please refer to section 3.1.4, Credit risks. It should be specified that the largest distributor or direct client accounted for less than 3% of the group's turnover.

3.2.5. RISKS RELATED TO ANY PORTION OF CLIENT 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 any portion of the receivables not covered by insurance.

A central credit management function is responsible for supporting the needs of commercial subsidiaries on an ad hoc basis in dealing with highly technical or sensitive cases.

3.2.6. LEGAL RISKS

RISKS RELATED TO LEGISLATION AND THE REGULATORY ENVIRONMENT

The group's activities are subject to various legislations, that can be complex and are liable to change. The group cannot therefore rule out any risk of non-conformity. However, Manitou focuses particular attention on compliance with prevailing legislation and the actions to be taken to conform and to adapt its activities to new regulations, recommendations and national, European and international rules. For instance, Manitou is adapting its anti-corruption procedures and practices to comply with the French Law on Transparency, the Fight against Corruption and the Modernisation of Economic Life (the so-called "Sapin 2 Law") that came into force in France on 9 December 2016.

Regulations specific to industrial activity

The group designs, assembles and distributes high-technology products that meet the 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 major investments being made in product development.

The regulatory authorities in the European Union, Japan, the USA (the Environmental Protection Agency (EPA)) 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).

This led to the introduction of Stage III and IV regulations in Europe and Final Tier 4 in the United States. These standards impose further 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, notably using particle filters and nitrogen oxide reduction systems.

Europe is continuing to develop its regulations with Stage V. This standard imposes further reductions in particulate matter emissions and introduces monitoring of the number of particles emitted as from 2019 or 2020, depending on the engine. This development would mean extending the use of particle filters, leading to higher engine prices.

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

Exhaust Emissions 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 specific quality, which currently makes it impossible to market machines complying with these new standards in those 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 has mobilized a significant proportion of its research and development resources to achieve such changes. The group has had established product ranges that are marketable by region to meet the requirements of those geographical areas where these regulations apply, while continuing to produce machines that are suitable 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 changes create a great deal of complexity for manufacturers, entailing:

- major research and development efforts in order to rescale all machines to allow for the features 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 may originate from Manitou or from its suppliers);
- a balance-sheet risk linked to the acquisition in advance 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 in advance the numbers of engines required for the transition phase (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 this increase on to the client immediately 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 predict and leads to substantial pressure on profit margins.

In principle, States comply with legislative and regulatory changes and with 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 effect of less polluting engines.

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

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

LITIGATION RISK

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

This litigation consists of disputes related to products and patents, commercial disputes and disputes related to personnel. The provisions set aside correspond to the best-closure-date estimates by the group and its advisors for the risks incurred with respect to the current disputes.

To the group's knowledge, there has been no litigation nor government or court proceedings in the past twelve months other than that referred to below, nor is any arbitration under way or likely to occur that could have a material impact on the company's financial situation, business activities or profits.

Litigation for infringement of intellectual property rights

In May 2017, Manitou Group was served a writ of summons by the company J.C. Bamford Excavators Limited (JCB), in France, the United Kingdom and then in Italy for infringement of two European patents.

At the current stage in the proceedings, the financial risk that could be incurred is difficult to estimate. In addition, an outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou in its defence. Consequently, no provision has been set aside in the group's accounts for these claims.

Also see note 2 of the notes to the consolidated accounts at 31 December 2017, chapter 6.1.5.

3.3. OTHER RISKS

TAX RISKS

Manitou BF and its subsidiaries draw up 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, capitalisation of deferred tax assets relating to accounting losses is recognised in the accounts when the possibility of using losses that can be carried forward to future years is considered more likely than unlikely in the relatively short term.

Consequently, any recurrent non-capitalisation 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 ON 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 aimed at keeping, developing and promoting its qualified employees (see section 4.3 of this reference document). In addition, Jacqueline Himsworth, Marcel-Claude Braud, Gordon Himsworth, Emilie Braud, and Christopher Himsworth, who sit on the Board of Directors, are stated as being connected by family ties. On 3 May 2017, the family shareholders signed a 4-year shareholder agreement.

For further details of the composition of the governing 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 (supplies, manufacturing and distribution) and financial processes (consolidation).

A major malfunction of the computer system, whether of natural origin (floods, earthquakes, etc.), accidental (fire, short circuit, etc.) or malicious (virus, data theft, etc.), could impact on the operational performance of the group and undermine its profitability.

To protect against such risks, the group has, since 2015, outsourced its most critical computer hardware to secure sites equipped with the latest technologies in order to limit access and ensure operating-system continuity in the event of minor malfunctions (power outages) and to be able to recover data in the event of major malfunctions (fire, etc.). In addition, data is regularly backed up at all the group sites in order to ensure that information can be recovered.

Finally, protection systems are upgraded on an ongoing basis (firewalls, antivirus software, etc.) and access rights are changed and checked at regular intervals.

GEOPOLITICAL RISKS

The group’s activities 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, by the different foreign ministries of the countries in which the group is present, as high-risk are monitored on an ongoing basis. 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 against the risk of fraud. In particular, delegation guidelines have been established to limit the rights and access of employees, along with a questionnaire to evaluate the key checks conducted in each of the group entities and in-house audit assignments.

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 recognised in the accounts and is also likely to make our products less competitive for British construction companies. The sensitivity of the group to the sterling exchange rate is set out in note 3.1.3.

CLIMATE RISKS

The group has not identified any major risks in respect of climate change. See also the corporate social responsibility (CSR) report.

3.4. RISK INSURANCE COVER

The group has taken out insurance policies with top-ranking insurance companies to cover its strict liability and property damage, 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 cover. In particular, the group has established a "Master" strict liability policy which encompasses almost all its subsidiaries, including Manitou Americas. This Master policy tops up the cover provided by the policies taken out locally. On the date on which this report was signed, the insured sum for strict liability was €50 million per claim and per insurance year. Property damage policies are generally of the ‘all-risks except’ type for insured sums that correspond to the risks identified.

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

3.5. INTERNAL OVERSIGHT PROCEDURES AND RISK MANAGEMENT RELATED TO THE DRAWING UP AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

3.5.1. INTERNAL OVERSIGHT OBJECTIVES

The internal oversight procedures put in place in Group companies are aimed at ensuring:

- compliance with legislation and regulations;
- the implementation of 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 oversight system, these procedures cannot provide an absolute guarantee that all risks are covered. These procedures are, above all, intended to reduce their likelihood and potential impact by taking appropriate actions.

In addition to the above objectives, the group signed the United Nations' Global Compact Charter in 2015.

Since 2007, the Manitou group's internal oversight 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 to which the group holds itself to account as a legal entity, and on the individual behaviour expected of everyone involved.

3.5.2. ORGANIZATION

The internal oversight 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 functions in their respective divisions.

This organization provides a framework which, through quarterly "Business Reviews", makes it possible to monitor the business and achievement of the objectives for each product division and each sales region, and, on a half-yearly basis, for each support function. Regular reviews of the Corporate Secretary's office and Human Resources are also carried out.

In addition, the group relies on guidelines on the delegation of decision-making and responsibilities that were updated in July 2016 to align with the group's organization; this is applicable to all Group companies and covers the following topics:

- statutory 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 introduced new internal oversight guidelines in December 2016. These were adapted for Group companies and have helped to strengthen the group's internal oversight culture.

The internal oversight system is coordinated by the group Finance Director, who reports to the Corporate Secretary.

3.5.3. PRODUCTION OF FINANCIAL INFORMATION

Responsibility for drawing up the unconsolidated and consolidated financial statements lies with the Finance division.

The budget procedure and monthly reporting are an essential tool for Manitou in steering its operations. It is both a structured and structuring process that allows information and strategic objectives to be shared within the group. The distribution, internally and externally, of relevant, reliable and timely information allows everyone to fulfil their responsibilities.

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 Finance division is responsible for the internal oversight procedures linked to the drawing up and processing of financial information.

PRODUCTION OF FINANCIAL STATEMENTS

PRINCIPLE UNDERLYING THE PRODUCTION OF FINANCIAL STATEMENTS

The group's consolidated financial statements are drawn up on the balance-sheet date in accordance with IFRS (International Financial Reporting Standards) rules, published by the IASB (International Accounting Standards Board) and adopted by the European Union.

The financial statements for Manitou BF are drawn up in accordance with French rules.

THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR MANITOU BF

The financial statements for both the parent company and the group are prepared by the Accounts department, with the assistance of a chartered accountant as regards the unconsolidated financial statements. They are validated by the Corporate Secretary-CFO and the CEO prior to approval by the Board of Directors.

THE CONSOLIDATED FINANCIAL STATEMENTS OF THE MANITOU GROUP

The consolidated financial statements for the group are drawn up by the group's Accounts Department . This department is responsible, inter alia, for updating the procedures for consolidation, training and integration of the subsidiaries into the scope of consolidation, data processing, as well as the use, maintenance and development of the consolidation tool and of the financial data system.

DATA PROCESSING AND REVIEW OF THE ACCOUNTS

Each subsidiary communicates its accounts to the Accounts Department based on a timetable set by the group. The Accounts Department reviews the accounts of the group as a whole and makes the adjustments necessary to draw up consolidated accounts. These accounts are circulated every month to the executive management. A manual sets out the group standards that apply to the accounts and their presentation. This manual is added to each year and made available to all the group entities.

Instructions for closure of the accounts are also communicated monthly to all the subsidiaries.

CONSOLIDATION TOOL

The Manitou group draws up its consolidated accounts using a single consolidation tool that is structured in accordance with a single chart of accounts for all companies in the group.

AUDITING OF THE ACCOUNTS

The half-yearly and annual accounts are audited by the Board of Statutory Auditors applying industry standards.

For foreign subsidiaries, audited in each country, the accounts and findings of the local auditors are communicated to the group statutory auditors and reviewed with the Finance division.

The Statutory Auditors presented the summary of their findings to the Audit Committee on 2 March 2018. The Board of Directors met on 6 March 2018, to approve the unconsolidated and consolidated accounts for Manitou at 31 December 2017.

Working and review meetings are regularly organised between the statutory auditors and the group's Finance division as part of the ongoing process for sharing information.

The Audit Committee is present at all key stages of the validation of financial information.

4. OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

43

CONTENTS

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

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 infrastructures, all the while optimising access to the planet's resources.

The expertise of the Manitou group is directed at simplifying, 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 relieve human efforts;
- **Meeting growing productivity requirements** with products and service offers specific to each application, limiting the total cost of ownership (TCO) and the 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** by devising new services that view 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 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 given to 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 **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 by promoting diversity and encouraging 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 incorporates 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 adhered to the **10 principles of 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.

4.1. OUR VISION AND COMMITMENTS

The group has identified **three major areas of action for the period 2015-2018** to be implemented through its Elevation Plan:

- Provider of sustainable solutions
- Powered by the men and women of the Manitou group
- In close partnership with our supply chain

This strategy is based on understanding the major challenges we are facing, listening to our stakeholders and the relentless drive for improvement since 2007.

A PROCESS OF CONTINUOUS IMPROVEMENT

2007

ISO 14001 certification for the Aubinère production site

2009/2010

- Synapse project in partnership with our suppliers
- Signature of a code of ethics

2011

- Group carbon footprint assessed for first time
- Signed up to the Pays de la Loire region's Employment Charter

2012

- Launch of the Elevation Plan
- In the Top 5 of the Gaïa index

2013

- Launch of the REDUCE Fuel Eco-Program
- ISO 14001 certification for Castelfranco site

2014

- First edition of Elevation Days
- Grand Prix Entreprises & Environnement (Business and Environment Awards)
- Launch of the REDUCE TCO programme
- Creation of the Services & Solutions Division
- Adoption of a Group HSE policy

2015

- 1st signature of the United Nations Global Compact
- Creation of the Women by Manitou Group network
- Membership of "Comité 21 Pays de la Loire"

2016

- 87% participation in the first in-house opinion survey
- Signature of the agreement with AGEFIPH
- Partnership with the MLDS (programme aimed at combating failure and dropout in schools)
- Launch of the Supplier CSR rating

2017

- Ambition 22 working groups
- EcoDesign & TCO checklist
- Construction of the Reduce Risks programme

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**
OBJECTIVES	Protect of the environment and resources Reduce in the total cost of ownership (TCO) for users Limit pollution 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 risks (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**
OBJECTIVES	To promote local approaches To monitor the financial well-being of our partners To involve our partners in our CSR strategy	To attract, build and retain skills To ensure that our teams reflect the diversity of our customers and our markets To motivate and unite To improve working conditions and quality of life at work

THE CONCERNS OF OUR STAKEHOLDERS

To establish the foundations for its CSR strategy, the Manitou group pinpointed the sustainable development challenges it is facing **in collaboration 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 and emerging trends**, and launching discussion or starting pilot projects.

The table below sets out the forms of dialogue currently in place, broken down 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, set out in greater detail on p.47.

Stakeholders	Expectations	Group response(s)	Form(s) of dialogue	Significant events in 2017
Customers and dealerships	Product quality	Regulatory monitoring and anticipation	Dealership network Dealership newsletter: Manitou Life Customer service Customer satisfaction surveys External communications (corporate site, brand site, trade fairs) Training and e-learning	See the paragraph on "A creator of sustainable solutions", p.48
	Product safety	REDUCE Risks programme		
	Reduced Total Cost of Ownership	REDUCE TCO programme		
	Adaptation for new uses	Creation of a S&S (Services et Solutions) division responsible for use development		
	Low environmental footprint for products	REDUCE Fuel Ecodesign & TCO programme		
	Customer relations	Customer satisfaction measurement		
	Ethical practices	Internal Working Group on Ethical Practices		
	Innovation	R&D programmes		
Employees **(Divisions, Sales & Marketing, Support functions)**	Professional development of employees	Forward-looking employment and skills management policy	Annual review interviews Forward-looking career management	See the paragraph on "Powered by the men and women of the Manitou group", p.52
		Training policy		
		Mobility policy		
		Hosting of trainees and students		
	Well-being at work	Communication of the latest news from within the group	Internal communications (intranet, TOTEM, forums) Open days	
		Measurement of satisfaction and engagement, and action plans	Inhouse opinion survey	
		Quality of life at work solutions (remote working, etc.)		
		Support for sporting initiatives	Creation of a sports association	
	Promotion of team and individual success/achievements	Rewards/prizes and long-service awards		
	Boosting diversity	Gender equality in the workplace	'Wo'Men by Manitou Group' network Mentoring programme	
		Intergenerational cooperation		
		Policy aimed at supporting people with disabilities	Disabled persons contact person 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, platform for sharing good group CSR practices	
	Health and safety at work	Health, safety and environment (HSE) policy	HSE corporation Occupational health & social worker	
Suppliers and sub-contractors	Economic competitiveness	Total Cost of Ownership approach	Responsible Purchasing Charter Supplier extranet CSR supplier ratings Supplier Convention and technical sessions Think tank	See the paragraph on "Solutions in close partnership with our supply chain", p.61
	Technological competitiveness	Productivity initiatives		
	Sustainability of supplier relationships	Supplier Development Department		

Stakeholders	Expectations	Group response(s)	Form(s) of dialogue	Significant events in 2017
Local communities	Academic partnerships	Local relationships with the education sector and collaborative projects	Partnerships with schools Site visits Handling the Future Challenge with students Support into employment	See the paragraph on "Solutions in close partnership with our supply chain", p.61
	Reinforcing local presence	Participation in networks	Membership of the "Comité 21 Pays de la Loire" sustainable development dialogue platform Involvement in networks of local players	
	Commitment to the community	One-off and/or long-term donations and support	Corporate sponsorship as and when opportune	
		Local partnerships and actions by the group's subsidiaries	Support for local associations	
Shareholding and financial community	Good governance Relationship of trust and consideration CSR performance transparency	Regular detailed communication	Reference Document - CSR chapter Communication on progress with the UN Global Compact 2017 Answers to questionnaires from non-financial rating agencies Annual response to the Gaïa Index Websites	Gouvernance d'or du Gouvernement d'Entreprise Valeurs Moyennes award (Gold award for mid-cap corporate governance excellence) (2016) Gaïa Index rating: 85/100 (2017) Corporate website redesigned in 2017

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. These commitments aim, in due course, to establish an integrated CSR model for the business lines, processes and relationships with our stakeholders.

To draw up the multi-annual plan for 2018-2022, working groups, composed of managers, were set up, one on the Products and Services offering and four on major cross-cutting issues for the group: CSR, digital solutions, entrepreneurial spirit and staff. The new CSR roadmap was then validated by members of the Executive Committee.

In addition to the environmental and social indicators indicated in the reference document, the group opted to monitor strategic indicators that represent the priorities set in the 2022 Elevation Plan. Quantified targets are currently being drawn up. This approach, whilst meaningful, remains complex, and requires regular adaptation work.

AREA 1

PROVIDER OF SUSTAINABLE SOLUTIONS

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

PRIORITIES

Factoring in the TCO (Total Cost of Ownership) from the design stage

Local approaches & customer solutions

AREA 2

... POWERED BY THE MEN AND WOMEN OF THE MANITOU GROUP

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

PRIORITIES

Employee engagement

Health, safety and environment: efficiency and performance

AREA 3

... IN CLOSE PARTNERSHIP WITH OUR SUPPLY CHAIN

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

Responsible purchasing

Local economic footprint and corporate sponsorship

CSR GOVERNANCE

The group's Corporate Social Responsibility policy is the outcome of contributions from all people involved 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, a member of the Executive Committee; it can be contacted at the e-mail address: **elevation@manitou-group.com.**

Twice a year, the group Executive Committee reviews the lines of action and progress with the roadmap. The Board of Directors is also consulted during the drawing up 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 indicators published 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 responsibility for our environmental, economic and social footprint.

FACTORING IN PRODUCT LIFE CYCLE

OUR CHALLENGE: ENVIRONMENTAL FOOTPRINT ON THE LIFE CYCLE

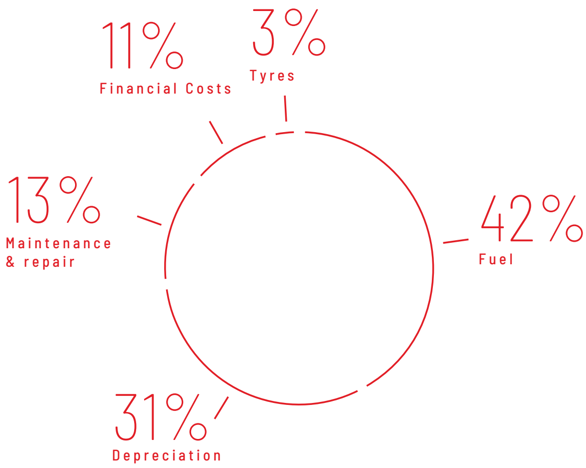
In order to understand more clearly where the hot spots of our activity are located, we conducted several specific studies:

- 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 840.
- An assessment of the company's carbon footprint covering its entire emissions scope(1) in 2012.
- Each year, an assessment of the carbon footprint as per the regulatory emissions scope(2).

(1) The scope includes the three emissions Scopes defined by the Greenhouse Gas (GHG) Protocol: Scope 1 (direct emissions), Scope 2 (indirect emissions from electricity consumption) and Scope 3 (other indirect emissions throughout the value chain).

(2) The regulatory emissions scope concerns Scopes 1 and 2 only; measurement is only mandatory once every four years, but we undertake the assessment each year.

TOTAL COST OF OWNERSHIP OF A MACHINE (2015)



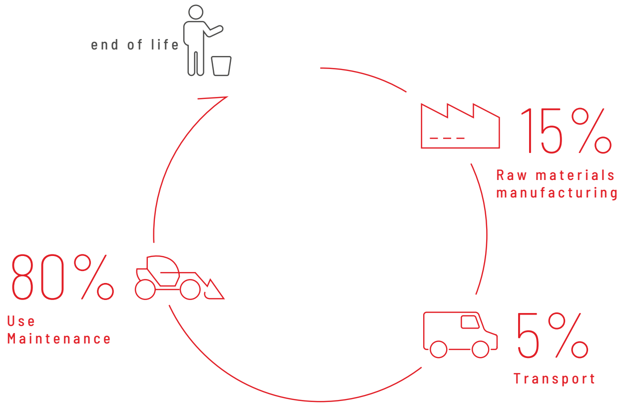
For all these topics, factoring in eco-design at all stages of the life cycle is a key point in studies. These studies show that **approximately 80% of our environmental impact stems from use of our machines** by **our** customers (depending on the impact categories evaluated) and in particular from their fuel consumption. **Reducing the consumption of machines** is therefore a strategically important priority in our action plan and it is for this reason that the REDUCE programme was created (see p.50).

ACTIONS OF THE ECO-DESIGN STEERING COMMITEE GROUP

In 2016, an Eco-design **Working Group** was formally created. It brings together contacts from engineering and design firms, purchasing offices, HSE and the S&S division, which provide which provide TCO expertise, and CSR. In 2017, this led to an **"Eco-design and TCO" checklist** being introduced for engineering, design and purchasing offices so that the environment and machine life cycles can be factored into the design stage.

Use in 2018 of this checklist in developing new products should make it possible to obtain concrete feedback. The objective will also be to measure the (environmental and economic) outcomes of the actions put in place and to build up a **good practices library** within the group.

ENVIRONMENTAL IMPACT OF A MACHINE THROUGHOUT ITS LIFE CYCLE (2013)



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.

OPTIMIZED PROCUREMENT & DISTRIBUTION

Starting from the observation that truck volumes were 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 products transported.

The tool for optimising logistic flows upstream of road carriage designed for our European suppliers is still being deployed at French sites and was extended to Manitou Italia flows in 2017 to achieve even further consolidation. The tool for machine distribution flows has been fully deployed (road and overseas) to optimise journeys and therefore limit the mileage for empty runs.

Furthermore, **self-assessment of the CSR performance of carriers**, implemented in 2015, means that 10% of overall supplier performance can be correlated to CSR criteria.

A MOVE TOWARDS MORE SOCIALLY RESPONSIBLE SUPPORT SERVICES:

It is also the responsibility of those running support functions to further 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 rolled out an employee digital vault for France, which will avoid the need for hard copy documents and for letters and documents to be sent by post.

ACTIONS TAKEN WITHIN THE IT DEPARTMENT:

- A project aimed at modernising and expanding the use of video conferencing tools continued in 2017 to make them easier to use and therefore limit certain types of business travel. In addition, a new type of service, "Plug'n'Play", now makes it possible for mobile users moving between entities to connect to their working environment. This not only ensures greater efficiency but also better cooperation around the world.

- The consolidation of computer infrastructure for certain subsidiaries within our data centre streamlines energy use by optimising the surface areas of the storage and processing facilities.
- Finally, in 2017, software writers were made aware of the green coding (software eco-design) for developing websites or software that are less energy consuming and more user effective.

INITIATIVES TO EXTEND THE SERVICE 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) programme, 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 (USA), orders are processed, with an order fill rate of close to 95%. They help maintain the machine park in optimum working order and prolong their service life. In 2017, the "ReMAN By Manitou" project received the inhouse Elevation challenge award. This involves a range of remanufactured replacement parts (engines, gear boxes, turbo engines, etc.). This alternative to new parts makes it possible to reduce maintenance costs and give used parts a second life. The parts are refurbished with original components and therefore have a warranty identical to new parts.
- **Deploying a network of used machines**: Manitou Group sold more than 500 used items of equipment in 2017 through its subsidiaries. In addition, the refurbishment centre created in 2015 continues to gradually grow in importance, aiming to recover, repair and recondition machines, for the most part made by Manitou.

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

Furthermore, the group continues to promote the premium used-machine market, with almost 1 000 dealership advertisements available on our website: used.manitou.com.

- **Offering dismantling simplification solutions to plan for the end of service 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 upon to physically manage the end of service life of our machines. However, the group is concerned about this issue and is proposing alterations to its products from the design stage in order to facilitate end-of-life management of its equipment.

OUR CHALLENGE: PRODUCT-SERVICE SYSTEMS

The Manitou group operates in a society in which the consumption of goods, which was once the norm, is gradually shifting towards economy of use.

The used, leasing and all-inclusive services markets makes it possible to sever the ties between value creation and the use of non-renewable resources and energy consumption.

This change in model as regards machine ownership 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 solely in the quality of our machines, but also in the economic value that our services can provide.

In partnership with our network of dealerships, the Services & Solutions division is developing solutions that meet these new needs in order to support individual customers more effectively in the use of their equipment:

- **The network of 1 500 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 with associated services, **"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 **Easy Manager** solution is a simple and flexible tool for managing, optimizing and ensuring safe use of machines. This solution was upgraded in 2017, notably thanks to CAN-bus technology. This provides real-time access to key machine data, such as fuel consumption, engine temperature and error codes. Since this makes it possible to conduct remote diagnostics and to geolocate machines, technicians can intervene more rapidly and the need for return visits to customers is avoided.
- The Manitou network's used machines website, **used.manitou.com**, was upgraded in 2017. The new version is easier to browse and additional services can be added for dealerships.
- **The first e-commerce website for the sale of replacement parts,** Manitou facilitates the purchasing process for clients. This new sales channel will contribute to preserving the performance of equipment and ensuring that it has a longer service life.

DRIVING THE REDUCE APPROACH

OUR CHALLENGE: THE AIM OF THE REDUCE PROGRAMME

The REDUCE approach aims to improve the quality of working life for 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, launched in 2013. This programme aims to measure and report the fuel consumption and CO2 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, launched in 2015. This programme is aimed at informing our customers about the cost breakdown of machines and helping them to improve the profitability of their production tool.

REDUCE Risks. This programme is aimed at the handling of machines so that they can be driven safely. The objective is also to provide guidance on the choice of equipment and services to increase awareness of health and safety risks.

A website devoted to the approach as a whole will be available in the first quarter of 2018 at: **reduce-program.com**.

REDUCING FUEL CONSUMPTION:

REDUCE Fuel

THE REDUCE FUEL PROGRAMME IS GEARED TOWARDS FIVE KEY ACHIEVEMENTS:

1. Measure fuel consumption and the related CO2 emissions using an internal protocol, drawn up for the four representative activities of machines: idle, handling, loading and road. Measurements are taken on the agricultural, construction and access platform ranges (since 2016). 42 new machines have now been added; some Gehl and Mustang machines will follow in 2018.

2. Improve the reliability of the data, the procedure and the conducting of tests, through an 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. The group will then present this draft standard to the ISO (International Standardisation Organisation) for it to become 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 discover the fuel consumption of Manitou and competitor machines according to use made, and to assess the related costs and greenhouse-gas (GHG) emissions.

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 ecodriving 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.

5. Improve the performances of the machines by providing technological solutions derived from R&D, such as the control valves and hydraulic regeneration or two new transmissions with eco-mode installed as standard on the new ranges of agricultural machines, NewAg and NewAg Compact, in 2016.

REDUCTION IN 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 core costs 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 over the past three years to reduce TCO at all stages of the life cycle of our machines resulted in the following in 2017:

- an acceleration of the **integration of TCO** into product development projects **from the design phase**. Following telescopic handlers, efforts to reduce TCO focused on forklift trucks and access platforms, and work also began on machines manufactured in the USA. Competition tests were also speeded up to draw up TCO reduction targets.
- The launch of the BT420, the **first "Design to TCO" machine**.
- Actions to reduce preventative and corrective maintenance costs were continued, by optimising, for example, the intervention frequencies, the oil volumes used, the number of filters and improve the reliability of components to extend the service life of the machine.
- Preparation for the switch to Stage 5 (in 2018) with the selection of suppliers as part of a comprehensive service approach into which TCO has been fully integrated.
- **Optimisation of the TCO calculator** for our clients and the integration of the Gehl and Mustang brands (http://tco.gehl.com and http://tco.mustangmfg.com).
- Following the collection of **corrective maintenance data** statistics (breakdowns, breakages, wear and tear, etc.) **from our network**, these data were incorporated into the dealership maintenance calculator.

Finally, a good example of TCO reduction and eco-design was the introduction in 2017 of a new material making it possible to produce hoods that can be repaired en mass. This new feature of the MHA division will have a major impact on hood reliability and durability.

USER HEALTH AND SAFETY:

REDUCE Risks

The aim of the REDUCE Risks programme, under construction 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.

This new project was jointly constructed with major account clients and renters, and more specifically their safety officers.

PROMOTING OUR EXPERTISE AS REGARDS THE SAFETY OF OUR MACHINES

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

- **Our tests** of 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 undergoes a precise approval process.
- **Our services, adapted**, designed and developed specifically for special businesses that are more acutely exposed to risk: mining, defence, environmental, aerospace markets, etc.

In 2017, the group invested in a **new R&D Test Centre.** This platform, based in Ancenis, is devoted to the validation of the reliability of new products developed by the MHA division. The completion of this new tool is a major step forward in the group's ability to innovate and drive growth.

The new building has been equipped to provide the best possible conditions for comfort, productivity, connectivity and managing the health and safety risks linked to testing activities.

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. To this end, **300 video clips on machine handling** were recorded in 2017 and will be made available in the media library of the new website reduce-program.com.

These clips include instructions and best practices, covering a large number of topics related to the use of all the machines in our range.

It will also be possible to download **Basic Instruction Sheets (BIS)**, to make it easier for for users to understand the basics, as well as all the instruction handbooks.

Prevention posters on how to use machines safely will also be downloadable.

It is also planned to develop, with the help of the relevant stakeholders, **tailor-made offers and options**, addressing specific safety issues with respect to our products.

IMPROVING COMFORT IN OUR MACHINES: ERGONOMICS, VIBRATIONS AND ACOUSTICS

The major challenges as regards ergonomic issues are to enhance visibility in cabs, improve access to and the comfort of the driver's cab, standardise the position of controls across our ranges and organise the human-machine interfaces. For example, the access-platform display has been standardised across the models to make them easier to handle.

Furthermore, by improving the **acoustic and vibration comfort in cabs**, it has been possible to to achieve a significant reduction in the overall level of noise and vibrations emitted.

ERGONOMICS

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

Access to the driver's cab on the new NewAg agricultural range has been entirely reworked to make mounting easier and reduce the risk of falls. The new seat makes it possible to monitor the movements of the load and reduce the vibrations experienced by the user.

Easier maintenance for technicians with an engine hood that opens wide and easy access to the various filters, engine oil dipstick, etc.

The Confort Steering System, a single turn of the steering wheel is now required to complete a full rotation of all four wheels, instead of the four turns required previously. This innovation has been patented.

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

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

For three years, R&D has built up **specific skills in the field of acoustic perception.** These new skills combined with the use of new technologies have made it possible to work on soundproofing and ventilation speed.

The new NewAg range that was brought out in 2016 has **the lowest decibel level on the market**, with a reduction of 6 decibels as compared with the previous model.

In 2016, the department created a new generation of the "Silent Force" MLT 840 and MLT 1040 telehandlers for the agricultural sector: soundproofing of the cab was improved, delivering a seven decibel reduction in noise as compared with previous versions of the same machines.

4.3. AREA 2: SOLUTIONS POWERED BY THE MEN AND WOMEN OF THE MANITOU GROUP

The Manitou group is composed of enthusiastic women and men, driven by a spirit of enterprise. This mindset is at the heart of the corporate culture and adds to the sense of belonging held by staff. Founded on trust, the management fosters innovation, experimentation, challenge and the shouldering of responsibility. We are committed to offering our employees, female and male, 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 designed to prevent workplace accidents and occupational diseases, by taking into account all the risks and involving all the key players. Lastly, we work with employees to reduce environmental impacts at our production sites, through our environmental management system.

4.3.1. MANITOU GROUP, A SOCIALLY RESPONSIBLE EMPLOYER

OUR CHALLENGE: OUR COMMITMENT AS AN EMPLOYER

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

- **To attract and build** the skills we need to invent, manufacture and sell the machines and services of tomorrow;
- **To ensure our teams reflect the diversity** of our customers and markets;
- To contribute to **motivating and uniting** 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 2014 and 2017, the period covered by the group's current commitments, five priorities have been identified: to strengthen business partnerships, support transformation of the group, promote our human capital, engage our employees and modernise the HR function. Our new strategic roadmap, Ambition 22, will revitalise our approach from 2018 to 2022 to the benefit of the employee experience.

THE GROUP HEADCOUNT

A FRENCH GROUP OPERATING INTERNATIONALLY

Group headcount at 31/12/2017 (disregarding the acquisitions in 2017)

		2015	2016	2017
Headcount at 31/12	No.	3214	3301	3 600(1)
Staff with open-ended contracts	%	97.88%	97.76%	97%
Staff with fixed-term contracts	%	2.12%	2.24%	3%
Temporary workers	No.	302	277	527
International corporate volunteer programme	No.	2	3	4
Internationally mobile employees	No.	18	13	14

(1) For information, the total headcount in 2017, including acquisitions, was 3 900.

The group's total headcount grew by 9% between 2016 and 2017. The breakdown between employees with open-ended contracts and with fixed-term contracts remained unchanged, with 97% of the employment contracts being signed being open ended.

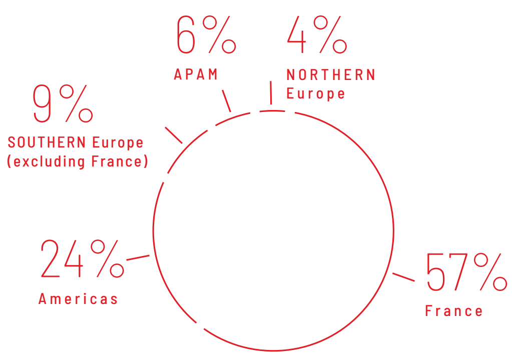
The number of internationally mobile employees or forming part of the International corporate volunteer programme, was slightly higher than in 2016 (18 in total in 2017, as compared with 16 in 2016).

The large increase in temporary workers is linked to the rapid rise in production ramp-up absorbed by the group over the year.

Breakdown of the group headcount by geographical area at 31/12/2017 (disregarding the acquisitions in 2017)

		2015	2016	2017
France	%	58.0%	58.0%	57.3%
Southern Europe (excluding France)	%	9.6%	9.5%	8.8%
Northern Europe	%	4.5%	4.5%	4.4%
Americas	%	22.6%	22.2%	23.6%
APAM	%	5.2%	5.8%	5.9%
Employees operating in countries susceptible to corruption*	No.			361
	%			10.03%

Proof of its international role, the group employs almost 43% of its staff outside France. The breakdown by geographical area shows a strong presence in Europe (70.3%) and in Americas (23.6%), the proportion of employees outside Europe having grown by almost two points since 2015. It should be noted that with the acquisition in 2017 of a company in India and one in Australia, the proportion of group headcount in the APAM region rose from 5.9% to 13.2%.



** See the methodological details - Correlation table on information relating to societal commitments in favour of sustainable development*

INDUSTRIAL COMPANY HEADCOUNT

Breakdown of the group headcount by status (disregarding the acquisitions in 2017)

		2015	2016	2017
Executives	%	20.1%	20.8%	23.6%
Supervisory staff	%	2.1%	1.9%	1.8%
Technicians (ETD)	%	30.3%	30.4%	26.0%
Operators	%	47.5%	46.9%	48.6%

The headcount structure by status in 2017 was similar overall to that of 2016, even if the decline in the proportion of Technicians (ETD) in the headcount led to a higher proportion of employees with other statuses. Overall, executive and non-executive staff represented 23.6% and 76.4% respectively, which is the characteristic profile for an industrial company.

A BALANCED AGE PYRAMID

Breakdown of the group headcount by age (disregarding acquisitions in 2017)

		2015	2016	2017
Aged 24 and less	%	2.6%	3.0%	3.8%
Aged 25-34	%	20.4%	19.7%	19.8%
Aged 35-44	%	37.9%	37.5%	36.7%
Aged 45-54	%	25.6%	26.5%	26.9%
Aged 55-64	%	12.6%	12.2%	11.9%
Over 65 years	%	0.9%	1.0%	0.9%

The breakdown by age was unchanged this year, with a median age of around 40. Age is a key challenge, particularly given a backdrop of intergenerational cooperation.

A COMPANY THAT BUILDS LOYALTY AMONG ITS TALENTED WORKERS

Breakdown of the group headcount by length of service (disregarding the acquisitions in 2017)

		2015	2016	2017
Less than one year	%	5.8%	10.0%	13.1%
1-4 years	%	26.1%	21.4%	22.1%
5-10 years	%	24.4%	24.8%	21.9%
11-20 years	%	28.7%	28.6%	28.5%
21-30 years	%	9.9%	10.9%	10.9%
More than 31 years	%	5.2%	4.3%	3.6%

Almost 45% of staff have worked for the group for more than 10 years, a sign of their attachment to the company and of the initiatives taken by the group to generate loyalty among its talents. In 2017, new recruits increased to 3 points above the proportion of staff with less than one year of service. For them, the process of immersion in the group, presented p.55 is crucial.

Movements of the group's permanent headcount (disregarding the acquisitions in 2017)

		2015	2016	2017
New recruits with open-ended contracts	No.	265	340	584
Resignations	No.	212	138	158
Dismissals	No.	86	62	96
Other grounds (mutual agreement, retirement, death, etc.)	No.	77	59	67
Voluntary departure rate (resignations/avg. perm. headcount)	%	6.61%	4.32%	4.70%

In 2017, 584 staff were recruited with open-ended employment contracts, that is to say an increase of this type of recruitment of 72% as compared with 2016. This recruitment reflects both the natural turnover of staff and the creation of new posts. Some posts were indeed converted from fixed term to open ended. Departures (321 staff in 2017, as compared with 259 in 2016) were monitored specifically by Human Resources management. The voluntary departure rate for the 2017 financial year was 4.7%, as compared with 4.3% in 2016.

AN ABSENTEEISM INDICATOR THAT REFLECTS WELL-BEING WITHIN THE GROUP

A key social performance indicator, the absentee rate is monitored regularly, and in particular absences relating to occupational accidents and illnesses. The average rate in 2017 was 3.31%, as compared with 3.79% in 2016. These indicators reflect well-being and remain below the national average for this industry sector.

All indicators and their trends are included within the section of this document relating to health and safety.

BUILDING TALENTS AND SKILLS

AN ANNUAL DEVELOPMENT CYCLE

Each employee is considered by the group to be a Talent that the company must allow to develop. To achieve this, four managerial cornerstones were put in place by the Human Resources department:

- **Performance reviews** for our Talents through 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, the 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 and generating their loyalty**, 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.

A TRAINING POLICY FOR EVERYONE

Building the skills of our employees goes hand in hand with a commitment to training, especially in France and Italy, which accounts for 2.15% of the payroll and an annual average of 15.7 hours of training a year per employee.

Indicators linked to training (Scope: France, other than LMH & CFM Ile-de-France, Italy)

		2015	2016	2017
Training expenses	euros	1 925 676	2 217 319	2 013 627
Total payroll	euros	86 845 097	89 766 021	93 760 041
Portion of the payroll devoted to training	%	2.22%	2.47%	2.15%
Employees that have attended at least one training course	No.	1 340	1 357	1 483
Training access rate	%	64.02%	63.50%	66.23%
Total number of hours of training	No.	28 351	32 672	35 068
Average number of hours of training per employee	No.	13.55	15.29	15.66

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.

In 2017, a number of initiatives were launched:

- **The development of managerial capabilities**: the group is pursuing its policy of strengthening managerial skills, with more than 7 600 hours of training granted throughout the year. New pathways were added to our training offer designed to boost the entrepreneurial and accountability side of our management approach.
- **The strengthening of our strategically-important specialist functions**: on a daily basis, we boost the skills and training of our employees to support their mobility in strategically-important specialist functions. For example, four employees were able to obtain a Joint Qualification Certificate for Metalwork Logistics Technicians (*Certificat de Qualification Paritaire de la Métallurgie Technicien Logistique - CQPM*) for "handling equipment technicians" after following an 18-month training pathway as After-sales Service Technicians. A quarter of our budget is also devoted to industrial training initiatives in fields such as robotics, hydraulics, electronics, strengthening our technical and production lines, which contributes to value creation.
- **Training policy and Personal Training Account (PTA)**: in France, we are continuing to promote the Personal Training Account that enables all employees to take an active part in their own personal and professional development. Thanks to our awareness campaigns among our French staff, 149 accounts were set up in 2017, representing more than 5 600 hours of training granted, entirely or partially during working time.

INTERNAL AND INTERNATIONAL MOBILITY

80% of Manitou's business is international. In addition, 465 of the group's workforce is located outside France and 35% of Top Management are not French. To develop our global exposure and foster international mobility, the group put in place a new support policy in 2016. In 2017, 27 staff registered for this policy, which led to expatriation, repatriation, local and International corporate volunteer programme contracts being concluded.

The success of internal mobility can also be seen in the United States of America where, in 2017, there were 25 internal transfers within Manitou Americas enabling staff to build their skills and careers. Manitou Americas also sought to promote opportunities for all staff in the group, and in particular by welcoming staff from France, Belgium and Australia.

REMUNERATION POLICY

The Manitou group's compensation policy is aimed at providing competitive pay to all staff linked to their direct and indirect contribution to the group's profits. The group's compensation policies are regularly benchmarked to the market and the Human Resources team reviews the situation of each staff member every year in conjunction with management. Particular attention is focused on equal treatment, in terms of compensation, between men and women within the group.

In France, this policy forms part of the sustained social dialogue which led to the conclusion of a salary policy agreement signed by all the trade unions.

Finally, in France, an individual social report in granted to each member of staff summarizing all information pertaining to their salary components and employee benefits.

Payroll (Scope: France, other than LMH & CFM Ile-de-France, Italy, USA)

		2015	2016	2017
Total payroll	euros	130 426 826	133 050 950	137 693 887
Change	%	0.4%	2.0%	3.5%
Change in staffing levels	%	-4.9%	1.6%	7.6%

The payroll for France, Italy and the USA increased by 3.5% between 206 and 2017, in line with the increase in staff (+7.6%) for these areas in the same year.

COMMITMENT TO WELL-BEING AT WORK

The Manitou group is committed to boosting and improving the well-being of its employees to contribute to the company's dynamic and to the well-being of all involved by offering the best possible working conditions.

EMPLOYEE COMMITMENT

In 2016, the Manitou group measured the satisfaction and commitment of all group employees in its first worldwide in-house survey. The response rate was 87%, with employees sharing their experiences within the group. This anonymous survey highlighted our strengths whilst determining the areas needing further development in order 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 need to provide them the best possible conditions in which they can be successful in their tasks.

After having shared the results with the teams, numerous discussions were held with volunteer employees in order to identify avenues for concrete improvements. Finally, more than 100 action plans were finalised in all group regions and within each department.

The inhouse opinion survey conducted in 2016 also revealed that 72% of the group's staff described themselves as "engaged". The Manitou group is mindful of this commitment, which is evidenced on a daily basis through the active and effective contribution made by staff to the tasks and projects in which they are involved.

In Spring 2018, as part of our commitment to an ongoing process of improvements, the group will organise a second inhouse opinion survey.

WELL-BEING AT WORK

ORGANISATION OF WORKING TIME

The duration and organisation of working time within the group is established in a corporate agreement based on the jobs performed by the various employee categories.

To contribute towards a better work-life balance of our employees, the Manitou group is pursuing its commitment to introduce individualised working hours arrangements wherever the organisation of activities allows for this, and it also fostering remote working solutions as a way of offering greater flexibility in managing time.

The roll out of these ways of working also has benefits in terms of efficiency and performance, while contribution to employees' sense of well-being.

CONCRETE EXAMPLES OF THE SOCIAL FRAMEWORK

Well-being at work is acknowledged to be a strong driver for engagement, creativity and performance. Initiatives, both structuring and informal, have been put in place to support staff in a working environment that is as appropriate as possible:

- In 2017, the regular presence of a social worker at our French sites allowed for confidential support to be granted to staff needing help of a social nature.
- Through ad hoc and regular events throughout the year, at central level and on the sites, the group is undertaking concrete actions to contribute to the well-being of staff: monthly distribution of organic food baskets at certain sites, massages, warm-up sessions before starting work, breakfasts, art exhibitions, etc.
- The site in Candé took a fresh look at its coffee-break area and transformed it into a more friendly and welcoming place, while the CLPR site launched a series of fifteen half-day sessions entitled "Live my life" to provide a better understanding and knowledge of the companies business segments.
- Sport helps to convey the culture of our group and unite our teams. For example, the 'Audencia La Baule' triathlon brought together 160 company employees of five different nationalities, individually or in teams. Over 120 employees took part in the Team & Run relay race, organised at the company's head office.
- Acknowledging the achievements of our staff is a key ingredient in maintaining commitment and motivation. The "Spot Awards" in Manitou Americas, the service medals in France and indeed the New Year awards are opportunities for rewarding the commitment of our teams. In this regard, the MHA teams had the opportunity in 2017 to showcase their welding skills during the "Soud'Cup" trophy competition. Eight mechanical welding teams in France competed in the creation of a trophy showcasing their know-how. Staff voted for the winning model, becoming the trophy presented for the New Year awards.

These initiatives reinforce the sense of belonging to the Manitou group and thus contribute to better cooperation between units, thanks in particular to the numerous exchanges and sharing of experiences that take place at such meetings.

INTERNAL COMMUNICATION

An major contributor to the dissemination of messages and managing change within the teams, Corporate internal communication were incorporated in 2017 into the Human Resources department. There are two focuses for the initiatives taken:

- Giving meaning to the tasks entrusted to employees and to group strategy, corporate structuring projects, as well as supporting communications by management.
- Strengthening the bonds between teams, a driver for cohesion and commitment. Projects involving new means of communication, new tools and platforms for sharing information on innovation and well-being at work have received a warm welcome.

In this regard, group employees are regularly informed about news, initiatives and changes made within the organisations through various means of communication, managed by internal communication teams: Intranet at group level, inhouse newsletter for staff in France, interactive relay terminals at production sites, etc. An inhouse social network was launched at the beginning of 2018 to further strengthen intra-group bonds and informal links.

Finally, in parallel to the structuring of the group's internal communication, initiatives at national level have continued to be promoted and developed. Reflecting the special features of each country, new channels of communication have been put in place to meet local needs (holding meetings, displaying posters, etc.). For example, Manitou Italia has a multidisciplinary team involved in sharing information, on a monthly basis, with the teams on key issues for internal communication, notably using a digital noticeboard tool located in various places on the premises.

THE ORGANISATION OF SOCIAL DIALOGUE

In France, 2017 was a crucial year in the reappropriation of our social dialogue with the emphasis on the need for the group to perform if social progress was to be achieved.

In this regard, the signing of an addendum to the 2013 Working Time Agreement made it possible for our industrial management to be more agile in organising working time by using the broad range of options at its disposal, including 2x8, overtime quotas, and six-day week. These arrangements were accompanied by compensatory benefits of advantage to employees.

The Agreement concluded unanimously as part of the Mandatory Annual Negotiations in November 2017 granted the group with an opportunity to reward the commitment shown by staff over the year, a year that had seen sharp rises in the volumes of business. This agreement also paved the way for progress with the group's social policy and improvements to the way in which the business is organised. Likewise, the creation of an economic and social library for staff representatives facilitates access to information and makes it easier for them to exercise their mandates.

Finally, the company moved ahead with the organisation of its sites by updating the majority of its internal rules and regulations.

In Italy, the group maintained regular contact with the trade union organisations representing its Italian staff, establishing an exchange of information between management and staff.

ENHANCING THE GROUP'S APPEAL

THE NEW EMPLOYER TRADEMARK FOR THE GROUP: JOIN THE UP MOVEMENT.

Recognized and appreciated for its know-how, Manitou Group wants to highlight the benefits and perspectives offered to a new member of staff joining the company. With this in mind, the group developed a new employer trademark in 2017 that conveys a stronger message and reflects the company's culture. This employer trademark enhances the group's positioning and appeal while ensuring consistency with the corporate brand and our industrial, logistical and services environments.

This new employer trademark bears the signature "Join the Up Movement", which encourages external applicants to join an innovative and dynamic community that is committed to building their talents throughout their time within the group. This signature also reinforces the feeling among staff of coming together as a group around a strong collective commitment that reflects the corporate culture.

2018 should see us deploy the key messages of this new ambition across all levels, bolstering the staff experience and building the skills of young talent.

RELATIONSHIPS WITH SCHOOLS

We engage with our partner schools, business schools and engineering colleges in the recruitment and training of our future technicians, sales staff, engineers and managers within our employment catchment areas.

In France, these partnerships primarily take the form of the signing of agreements with regional players (8 in 2017, and 6 additional agreements being examined for 2018). In this regard, we take part in student events (e.g. job forums, schools oral presentations, examination boards, visits to our facilities, etc.), contribute to training initiatives within the structures, foster links with the professional world (simulated job interviews, speed recruiting, factory visits, etc.).

The first Handling the Future challenge took place in 2017. This is a competition directed at students enrolled in a higher education institution. This event promotes and encourages innovation in industry while developing local partnerships with schools in the region. In 2017, 72 participants, 33 teams and 7 schools designed what, in their view, would be the "handling solution of tomorrow". Buoyed up by the success of this event, a second edition was launched at the end of 2017 to imagine an operator workstation environment for 2020.

IMMERSION IN THE GROUP

After having followed the Quality-Health-Safety-Environment induction progress, new recruits go through a personalised integration pathway during which they meet the main contact persons for their activity. In addition, to round off this programme and acquire a better knowledge of the group, they are invited to a day of training presenting the company, its vision, its products, the network, etc.

New managerial recruits are also given a week of immersion in manufacturing on their arrival. This allows them to discover the trades, know-how and products of the group so that they have an understanding of the environment and how the production units operate.

HOSTING TRAINEES AND STUDENTS

Each year, Manitou Group hosts and trains students through job placements or work-study contracts within our various organisations (Manufacturing, R&D, Sales and Marketing, Human Resources, ISIT, etc.).

In 2017, 90 trainees and 47 new students at different levels of studies benefited from job experience within the group. For them and for the group, job placements and work-study programmes are a source of learning, a means to communicating know-how and corporate culture.

BOOSTING DIVERSITY WITHIN THE ORGANISATIONS

The diversity of Manitou Group is reflected in the profile of its staff, be it in terms of multiplicity of nationalities, gender diversity, generations or levels of disability. The group also regularly boosts its actions aimed at promoting diversity.

For example, Manitou Asia signed a commitment on fair employment practices with government agencies relating to five key principles: recruitment, equitable management of human resources, professional development, compensation and fringe benefits, and employment code.

GENDER EQUALITY IN THE WORKPLACE

Breakdown of the group female headcount by status at 31/12/2017 (disregarding the acquisitions in 2017)

		2015	2016	2017
Executives	%	21.1%	22.4%	23.2%
Supervisory staff	%	4.4%	1.6%	1.6%
Technicians (ETD)	%	31.3%	31.2%	32.6%
Operators	%	8.1%	7.7%	8.6%
TOTAL	%	**17.7%**	**17.8%**	**18.2%**

The proportion of the workforce represented by women in the group has been on the increase for several years. Women accounted for 18.2% of employees at 31 December. The socio-professional categories associated with the operational trades is still, for the most part, male (particularly the manual workers population, of which 91% of staff are male). The group's commitment to gender diversity continues, by fostering diversity through recruitment and managing employee careers, while combating any form of discrimination.

Three years after the signing of a company agreement aimed at promoting gender equality in the workplace, a key aspect of the corporate culture of the Manitou group, 90% of the 10 goals stated in the agreement have been met. The remainder will be put in place through a process of continuous improvement.

The two key objectives set in this agreement (to 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 by the internal network, Wo'Men by Manitou Group.

This network, formed in April 2015, has now more than 60 members, men as well as women, from all socio-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 site 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 within the teams.
- Carrying out specific studies, for instance, on the perception of professional equality and career advancement among group employees.

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

In October 2017, the Manitou group pursued its commitment to professional equality by signing the charter adhering to the Regional Plan for Professional Equality between Women and Men (*Plan Régional en faveur de l'Égalité Professionnelle entre les femmes et les hommes - PREP*). Signed by Michel Denis, group's CEO & President, this charter establishes four key objectives for the next three years:

- To combat sexist stereotypes and encourage professional gender diversity;
- To support social dialogue and abide by the law in ensuring professional equality;
- To guarantee the rights of women and promote their access to professional responsibilities;
- To evaluate and report on partnering initiatives.

The signing of this charter is fully in line with the actions taken by the Manitou group in favour of professional equality.

POLICY AIMED AT SUPPORTING PEOPLE WITH DISABILITIES

Staff with a disability (Scope: France - other than LMH & CFM Ile-de-France - and Italy)

		2015	2016	2017
Staff recognised as having a disability	No.	71	77	89
Percentage	%	3.39%	3.60%	3.97%

In 2017, the proportion of staff recognized as having a disability rose from 3.6% to 4%. The work conducted by all the internal players on the sustainable employment strategy for such persons resulted in an increase of almost 16% of the number of French and Italian staff recognized as having a disability and being supported in their career path.

2017 was the first year of implementation of the initiatives decided pursuant to the agreement concluded with the AGEFIPH (Fund Management Organisation for the Professional Integration of People with Disabilities) in 2016.

Two major events granted an opportunity to raise the awareness of the teams to the issues:

- During the Elevation Days event, a week focusing on sustainable development held in June, a number of workshops were dedicated to heightening awareness;
- In addition, the European Disability Employment Week, held in November, was followed by close to 1 000 staff from all sites. Various initiatives also made it possible for Manitou to showcase its efforts to keep disabled workers in the workforce, one of the priority areas for our policy;
- Training for all our team leaders who, in their positions as local managers, are those who can better integrate the disabled and make appropriate recommendations for improving workstations for all staff. This one-day training course, forming part of the professional training pathway, began in December 2017 and will continue throughout 2018;
- Mindful to retain staff in employment, the group has converted workstations and cofunded a lift to enable those with reduced mobility to gain access to the design office floor at the Candé site;
- Other actions were also taken: the recruitment of people with disabilities under the label "Entreprise Handi-accueillante" (Disability-friendly company) and strengthening of partnerships with local work rehabilitation establishments and assistance services (*ESAT - Etablissement et Service d'Aide par le Travail*) in conjunction with the group Purchasing department.

INTERGENERATIONAL COOPERATION

At the end of 2014, the Human Resources department launched an initiative aimed at analyzing key skills within the company with a view to the challenges ahead for our products, processes and market trends. After seven key business lines were identified in 2015 and 2016, 2017 allowed us to map the skills to the SAV, Purchasing and some Research & Development business lines. These tools, together with job descriptions, will make it possible for managers to focus, during individual appraisals, on the skills to be improved by staff.

The ultimate objective is to gradually anticipate future retirements by 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 seven key business lines can then take part in or lead inhouse training sessions as experts and teach young employees their specialist skills. We also continue to encourage the recruitment of students on work-study programmes and to set up partnerships with technical colleges, engineering colleges and universities. The aim of the partnerships concluded or under way currently is to attract the talent of the future to our industry today.

BUILDING IN CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) is gradually being built into all the group's business lines. This process of absorption is achieved by incorporating the subject into the procedures (for example, into the Purchasing process, Human Resources or Design) or by putting in place specific actions at each stage of the product life cycle. In addition, the group's CSR approach and its progress are incorporated into the managerial training program and into the new recruit induction days.

The process will be continued and even sped up over the 2018-2022 period, with the establishment of:

- strategic indicators for the group and targets to be achieved by 2022;
- CSR objectives in the dashboards for all departments and cross-cutting functions (Sales and Marketing department, Human Resources and Corporate Secretary's office);
- a network of CSR ambassadors.

In addition, in order to create a feeling of joint responsibility and a sense of competition around the Elevation Plan, we hold an Elevation Days event each year, that is to say a week of activities on all sites. Informative or fun activities are granted on various CSR-related issues: training, conferences, discussion evenings, presentations, etc. In 2017, five issues were brought to the fore: responsible purchasing, the environment and TCO, health and safety management, professional equality and quality of life at work. These initiatives are being rolled out gradually both on the production sites and in subsidiaries. For the fourth edition, key persons from the business lines organised training sessions or workshops for their teams to go one step further towards building CSR into our procedures:

- The design offices in France were made aware of the concept of eco-design and how to use the eco-design and TCO checklist.
- The Purchasing teams were trained in how to conduct CSR audits of suppliers;
- The ISIT teams followed a training course on the environmental impact of software programmes;
- The entire REDUCE programme methodology was presented to the US teams;
- The teams responsible for the group's ERP overhaul project used this week to put in place various workshops on well-being at work.

The week concluded with the prize-giving ceremony for the Elevation challenge, showcasing the key projects and everyday innovations that were either in progress or already deployed. This approach also promotes the 'entrepreneurial' aspect of our activities. In 2017, 38 projects were placed on the group's new platform for sharing good CSR practices; 80% of these came from our subsidiaries around the world. For example, this edition of the challenge awarded prizes to the Reman project linked to a range of remanufactured parts, as well as a project for a new pump for our oil barrels making it easier to transport heavy loads and avoid oil spills and generating savings for our Malaysian subsidiary of 60%.

4.3.2. THE ENVIRONMENT, HEALTH AND SAFETY AT OUR PRODUCTION SITES

In line with our CSR strategy, the group has drawn up and deployed a **HSE policy** (Health, Safety and Environment) geared towards:

- Complying with **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 into job positions and products;
- Controlling and **reducing the environmental impact** (energy, air, water, waste, etc.) of our sites and our products through the Environmental Management system and the REDUCE programme.

PLAN 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, the group launched a **project to bring the Quality and HSE management systems closer together**. The aim is to have shared QHSE certification by 2020 at all French sites, including Health & Safety certification (ISO 45001).

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

AWARENESS-RAISING AND TRAINING

Various means of raising awareness and providing information and training have been deployed on our various production sites:

- **Inhouse HSE training** (forklift operators, gantry cranes, stackers, magnets, access platforms, depollution kits, explosive atmospheres, chemical hazards, use of refrigerant fluids);
- **HSE induction** for all new recruits arriving at any of our production sites to make them aware of the risks and environmental aspects linked to the activities on the site;
- Each site produces **regular communications** on HSE issues (meetings, circulation of safety/environmental instructions, intranet articles and posters);
- **Visual management** through initiatives such as the **DANTOTSU** approach (on the Aubinière site): analysis of near-miss accidents, incidents and accidents in production centre workshops (mechanical welding, assembly and internal logistics). This is a very useful tool for ensuring the active weekly participation on site of the various parties concerned.

			2015	2016	2017	Scope
Safety training	Number of hours of health and safety training	No.	4 286	6 245	5 632	France*, Italy
	Hours of health and safety training as a proportion of total training hours	%	15.1%	19.1%	16.06%	France*, Italy
	Number of hours of health and safety training	No.	6 835	7 966	7 398	France*, Italy, USA

** France means excluding LMH and CFM Ile de France (creation on 01/01/2017)*

Given the rapid rise in output and the pressing need for teams to be trained, a new inhouse trainer arrived in 2017 to add to our HSE teams.

HEALTH AND SAFETY AT OUR SITES

OUR CHALLENGE:
THE HEALTH AND SAFETY OF OUR EMPLOYEES

Every day, more than 1 500 operators work in our factories manufacturing mechanically welded structures (chassis, booms and masts), assembly or in 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 workstation environment:** movement of people and machines, risks of eye injuries, noise and vibrations, etc.
- **The use of chemical products.**

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

KEY FIGURES FOR 2017

			2015	2016	2017	Scope
Rate of absenteeism due to accidents and illnesses (including occupational illnesses)	Rate of absenteeism due to illness	%	2.89	3.29	2.90	France*, Italy
	Rate of absenteeism due to workplace accidents and occupational illnesses	%	0.66	0.50	0.42	France*, Italy
	Rate of absenteeism due to accidents and illnesses (including occupational illnesses)	%	3.55	3.79	3.31	France*, Italy
Frequency and severity rates for MANITOU employees	Frequency rate	No.	12.36	15.45	10.72	France*, Italy, USA
	Severity rate	No.	0.32	0.34	0.37	France*, Italy, USA
Frequency and severity rates for temporary workers	Frequency rate	No.	18.5	19.03	42.20	France*, Italy
	Severity rate	No.	0.15	0.18	0.4	France*, Italy
Number of known occupational illnesses in the year		No.	8	3	4	France*, Italy

These indicators are defined in part 4.5.

** France means excluding LMH and CFM Ile de France*

Our objective is to prevent workplace accidents and occupational illnesses by taking all risks into account in the operational management of our manufacturing processes and multiple projects by putting in place preventive arrangements and appropriate training.

For this to succeed, the involvement of all the players is crucial. Our staff are made aware, actions and projects are piloted, and the results in terms of severity and frequency rates are **incorporated into appraisal of the performance of our managers and HSE teams.**

2017 saw a drop in the frequency rate for the group (from 15.45% in 2016 to 10.72% in 2017) and a slight increase in the number of days of sick leave for our Manitou employees (severity rate of 0.34% in 2016 and 0.37% in 2017). However, the frequency and severity rates for our temporary workers greatly increased (rising from 19% to 42% and from 0.18% to 0.40% respectively).

These results can be explained primarily by the significant rise in our activity, which led to the inclusion of numerous temporary workers into our workshops and a delay in their inhouse HSE training for their workstations. The group has draw lessons from this year and is currently putting arrangements in place to ensure the safety and health of all its staff.

In this regard, our group has acquired **new resources in terms of HSE**, with the integration at the end of 2017 of an HSE Operational Manager, a HSE Management System Coordinator and a new inhouse HSE trainer. This is in line with our overall project to improve our health and safety culture in relation to which we want to deploy a series of actions aimed at:

- Ensuring that health and safety are a **key corporate value** promoted by our top management;
- Develop **the leadership of our managerial staff** in relation to health and safety;
- Improve our **direct participatory management** of health and safety;
- Develop a range of practices to promote the **participation of our on-site players** (develop feedback, improve procedures and other health and safety measures, hierarchical monitoring of the application of procedure, presence on site of managerial staff, observation and dialogue with the operators, etc.);
- **Develop and digitalise our tools** for HSE prevention and surveillance (in particular by putting tablets in place).

IMPROVEMENT OF WORKING CONDITIONS

The Law on Arduous Working Conditions has led us to continue auditing all of our workstations in order to identify those that are high risk for the health and safety of our employees.

Improvement measures are regularly implemented. Numerous investments have been made to improve working conditions: handling equipment, servo screwdrivers, handling support arms, personal protection equipment, etc.

On our productions sites, **the workstations are regularly audited** in order to identify positions with physical risks (principally, the risk of musculo-skeletal problems) and put actions in place to achieve improvements (frequently involving representatives from the Methods Department, to gain in efficiency and speed in effecting changes to workstations and tools).

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. Although this contribution is minimal, we are working on reducing our environmental impacts, the most significant of which are:

- Energy and related greenhouse gas (GHG) 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.

KEY FIGURES FOR 2017

(Scope: France and Italy)

Indicator	Unit		2015	2016	2017	Change 2016-2017
Compliance of aqueous industrial discharge	%	%	95.3%	99%	97.5%	-1.5 pts
Volume of industrial waste	Kg/truck equivalent	%	257	239	217	-9%
Water consumption	M3/truck equivalent	%	1.48	1.30	1.14	-12%
Paint consumption	Kg/truck equivalent	No.	8.1	7.1	6.7	-6%
Energy consumption	kWh/truck equivalent	No.	2 130	1931	1717	-11%
VOC emissions	kg VOC/truck equivalent	No.	3.9	3.8	2.9	-24%
Equivalent trucks produced	No. of MLT735 equivalent trucks produced	No.	16 312	19 592	24 520	+25%
GHG emissions	kg CO_2/ truck equivalent	No.	417*	NC	340	

** France only*

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 through an HSE process and through **inclusion in the Quality and HSE Department reviews.**

We first achieved ISO 14001 certification in 2007 and are gradually deploying certification procedures at our sites. In 2018, certification will be sought on the basis of the new 2015 version of the ISO 14001 standard and the scope will be extended to our Candé, Beaupréau and OEM sites (in addition to the sites that are already ISO 14001 certified, under the 2004 version of the standard, notably Aubinière, Laille and CLPR).

As part of its efforts to constantly improve and harmonise the company's HSE performances, the group has also put in place a French **corporation intersites** platform devoted to sharing HSE problems and good practices.

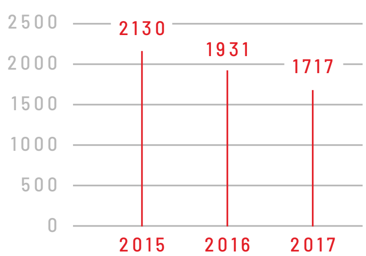
Indicator	2014	2015	2016	2017
Proportion of ISO14001-certified or eligible sites (in terms of % of sales generated in the group*)	57%	66%	70%	78%

* Group indicator including Manitou Equipment India (MEI), merged into the group in 2017.

ENERGY MANAGEMENT

Across the entire scope covered by environmental reporting, an 11% reduction in energy consumption (electricity and gas) per unit of output was recorded in 2017:

ENERGY CONSUMPTION (KWH/TRUCK EQUIVALENT)



As part of its involvement in a **European project, STEEEP** (Support and Training for an Excellent Energy Efficiency Performance), for reducing energy consumption, the group committed to reducing energy consumption at the Aubinière site by 15% over a three-year period (2015-2018). The target level set for 2017 of reduction of 5% (i.e. equivalent to the annual electricity consumption of 550 homes) was almost achieved (4.1%).

To achieve these results, various steps were taken at our various sites:

- Monitoring by Energy representatives on the sites who are specifically trained on this topic;
- Tracking and analysis of consumption in our buildings as part of the **Energy Management system**;
- Circulating an **Energy Charter** setting out the commitments of the group Executive Committee and an Energy Guide. This guide sets out the essential elements for energy management for the purposes of future investments, in terms of both 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 **centralised technical building management (GTCB) calendar** was changed in order to work on upstream energy management, for example by inserting alert and malfunction detection thresholds. Management of this system was initiated in early 2017.

The improvements made in 2017 at our production sites to pursue our commitments included: the replacement of the lighting in the new logistics building on the Aubinière site, in the North and South parks of the Laillé site and in the store on the Candé site; the replacement of a 4 000W inverter by a less powerful 750W version at the Candé site; the replacement of all the office windows at the Beaupréau; and finally the installation of new paint shops at the Laillé site.

LOCAL ENVIRONMENTAL IMPACTS

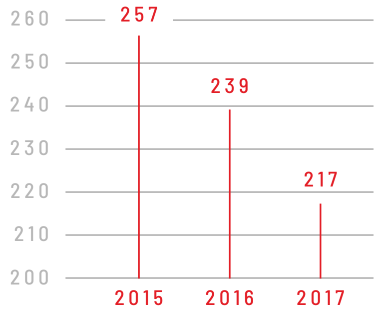
Volatile Organic Compound (VOC) emissions are due to the use of organic solvents in our paint application procedures. They contribute to acidification, eutrophication and high concentrations of ground-level ozone. In 2015, at the Ancenis site, the paint finishing shop, which alone accounts for 45% of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

WASTE MANAGEMENT

Our main action drivers in terms of waste management lie in the quality of at-source sorting (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. Of our ordinary industrial waste, 72% is recycled, 17% is turned to energy, 7% is reused and 4% sent to landfill (as compared with 6% in 2016).

In 2017, a 9% reduction in the volume of industrial waste generated was observed.

VOLUME OF INDUSTRIAL WASTE (KG/TRUCK EQUIVALENT)



It is also worth noting that the following best practices were pursued in 2017:

- Use of the wooden waste shredders and compacters has now been extended to other production sites, enabling the rotation frequencies to be reduced.
- A project to put in place collective and participative waste sorting areas in one of the buildings at the Aubinière site, to raise awareness, in a fun way, among employees of the need to reduce waste, was deployed in 2017 in the new R&D Tests Centre.
- New ways have been found to recover polystyrene in packaging and glassine thanks to initiatives undertaken with our waste service providers.
- A circular economy project for pallets was put in place between two sites as part of the Elevation challenge.

PROTECTION OF BIODIVERSITY

In 2017, the construction of the new R&D Tests Centre (the first RT 2012 industrial building at Ancenis) took into account the environmental impacts from its design stage. This made a possible in particular to put in automatic test benches in an area away from water, to install retention tanks and a concreted area to prevent oil leaks coming into contact with a storm basin. This building, close to Marais de Grée, also complied with a number of criteria linked to revegitation of the site.

Pollution of a pond on one of our sites at Ancenis was rapidly controlled and contained locally. The exact origin of this oil pollution was identified and the necessary measures taken by the teams, in close cooperation with the Ancenis town hall, the fire brigade and the Amicale des Pêcheurs professional fishermen's association. This pollution was assessed as "minor" by the Regional Department of the Environment, Planning and Housing (Direction Régionale de l'Environnement, de l'Aménagement et du Logement - DREAL).

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

The purpose of these piezometers is to monitor the quality of groundwater at various locations 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 dialogue it maintains 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 through:

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

OUR CHALLENGE:
STRENGTHENING THE SUPPLY CHAIN AND PARTNERSHIPS

The sustainability 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 proximity to the production sites and their regional presence help to meet our need for responsiveness and flexibility and also help to reduce our environmental footprint by limiting the use of transport.

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

Lastly, by involving all the partners in 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.

OUR RESPONSIBLE PURCHASING POLICY

In 2012, we rolled out a Responsible Purchasing policy aimed at creating sustainable, balance and creative value with our suppliers for all the stakeholders. This initiative is undertaken in conjunction with **all the Purchasing Department staff**.

In this regard, the group again received an award at the 11th edition of the Trophées des Achats (Purchasing Trophies) ceremony on 19 June 2017 in Paris: the **Innovation for Business award,** on the theme of "Developing relational and collaborative links for improved efficiency and value creation with an ecosystem" (*Développer les axes relationnel et collaboratif, pour améliorer l'efficience et la création de valeur au sein de son écosystème*); this translated into the deployment of the first **Think tank** with three suppliers for a multi-business line consultation and consideration of all the options for optimisation based on the principle of an extended company.

Since this policy began, the focus has been put on the following areas.

PROMOTING COMMITMENT TO A RESPONSIBLE PURCHASING CHARTER

Improving the performance of our suppliers 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 expectations** as regards environmental, social, ethical and economic responsibilities and to detail the commitments expected in return from suppliers and sub-contractors.

In 2017, **more than 220 suppliers** signed this charter.

CSR SUPPLIER RATINGS

Since 2016, the **performance assessment** criteria for suppliers of production items have been were improved and five CSR criteria added: **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. In 2017, more than 80% of the suppliers rated undertook this self-assessment.

Furthermore, this tool for exchanges with suppliers allowed us to collect many best practices on the various topics assessed; the ten most relevant practices were incorporated into the Manitou group's good practices then circulated to the supplier panel in the form of a specific guide and digital document available on the Manitou group suppliers extranet. We will continue to add to this range of good practices this year based on the feedback received in 2017, the object being to continue to raise awareness of this process among all our suppliers.

REVERSE RATING BY SUPPLIERS

At the end of 2016, we launched a reverse rating (evaluation of the performance of Manitou by its suppliers). The supplier rating having been in place since 2011 with subsequent improvements, it seemed to use to be important, both to pursue improvements in our performance and to balance our relationship, to introduce this process. The results as regards our suppliers are as follows:

- 86% satisfaction across all the areas assessed
- based on 97% of the criteria, Manitou's performance was deemed to be better or identical to that of other clients
- no areas were assessed as below a 60% satisfaction level
- 50% of the criteria assessed with a satisfaction level of over 90%
- Endorsed on the major points of the inter-companies relationships charter, such as **CSR policy, compliance with payment terms and conditions, compliance with commitments and the balance of the supplier relationship,** with more than 95% of suppliers satisfied as regards these points.

Areas for improvement have nevertheless been identified, applied in the corporations, and are the subject of action plans.

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 so that an assessment can be drawn up in conjunction with the supplier, a site analysis is conducted and an action plan then put in place aimed at improving the processes or the products. A prior commitment is made to share any savings with suppliers. This system helps to create **relationships based on trust and transparency** with our stakeholders.

SUPPLIERS CONVENTION

At the 2017 Suppliers Convention at the Stéréolux centre in Nantes, the Purchasing Department brought together 250 key suppliers but also elected officials and local players (Chamber of Commerce and Industry (CCI), Nantes metropolitan authority, Community of municipal authorities for the Ancenis area (COMPA), etc.). This annual event granted an opportunity to draw up a review of 2016, to **reward the performance of the best suppliers** (presentation of awards on the following issues: Quality, Purchasing, Logistics, Technical, CSR and supplier of the year) and to present the Manitou group's "Value Up" purchasing policy.

APPLICATION: 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 determine the events and activities for employees: fight against food waste, local sourcing, tasting of seasonal products, talks by 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 the important role networks and local presence play in the success of our activities. That is why we value and promote the dialogue held with our dealerships, our end customers and regional players (local schools, communities and organisations, associations, etc.).

Through our business lines, we operate in a variety of locations in large territories, coming into contact with a wide variety of parties and stakeholders. Our 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 look to boost research and training through numerous 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 and research projects**, company visits, etc.

Other initiatives are undertaken in subsidiaries or in other production countries. For example, for four years, Manitou Americas has maintained a partnership with Madison High School, enabling students from the region to find out about the group's specialist trades and guide them in choosing a training course. Manitou Americas has, for example, subsidised one of the training programmes available to students on welding methods.

In 2016, a partnership with the MLDS (programme aimed at combating failure and drop-out in schools) of Ancenis lycée professionnel (vocational high school) was created. 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 film the job that I like"). The reward obtained was showcased during the 2016 Elevation Days to all employees at the sites involved. The partnership continued in 2017 with support for a new intake of students.

One of the major areas of our involvement in schools is a competition created specifically for students called the "Handling the future", 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 behind the first edition in 2016 was 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 edition launched at the end of 2017, proposes that future engineers imaging and propose a workstation for a Manitou operator for the year 2020. A platform devoted to this competition will become available in 2018.

NETWORKS AND 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 municipal authority and the Nantes Saint-Nazaire Chamber of Commerce and Industry** (CCI). 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 and festive occasions. For example, in 2017, the group was one of the partners in the project to collect used tyres organised by the Chamber of Agriculture in the region.

Lastly, the Manitou group has been an **official sponsor for 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 have 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 II" law in France), as a desire of the group Executive Committee and senior management bodies.

COMMITMENT TO THE COMMUNITY

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

For example, in Australia, in 2017, a project made it possible to collect 200 kilos of clothing and AUD 2 000 for the St Vincent de Paul collection intended for the homeless, whilst also encouraging dealerships in the Australian network to do the same. Other subsidiaries took part in the "Fill a Manitou bucket" movement to help local associations; this was the case in Brazil, Spain and Portugal. In sponsoring United Way, Manitou Americas organised numerous events: themed lunches or days, product recycling operations, fund raising, etc. Manitou France, a Red Cross partner and the local association for organ donations (AVAV), organised blood donor sessions on the company's premises, which was also started in Brazil and Australia. Finally, donations of IT equipment, to associations and in particular to schools in need, continued in 2017 in France and in our subsidiaries.

Since **corporate sponsorship and support for associations** are at present undertaken as and when opportune, a strategy focusing on education was validated at the end of 2017 by the Executive Committee. Through this new sponsorship policy, the group wishes to invest in education to support the new generations with their personal and professional development.

ETHICAL PRACTICES AND FIGHT AGAINST CORRUPTION

In 2010, the group decided to adopt an ethical charter promoting values of integrity and responsibility, that 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, equality, 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.

Over the past two years, several **key actions have been launched**:

The audit and corporate governance area was strengthened, with the drafting of an **internal audit manual and a subsidiary governance manual.** The Corporate Governance report (see section 5) provides more details on this matter.

All of the group Executive Committee members received training at end of 2016 on topics related to business ethics and ethical practices.

A working group was set up to implement the measures and procedures deriving from Law 2016-1601 of 9 December 2016 (the so-called Sapin II law). This working group was composed of officers from the Internal Audit, Legal, HR and Finance Departments and the group's Corporate Secretary. These measures encompassed the following:

- The methodology for **identifying risks linked to corruption** was examined, and a risk-mapping exercise was undertaken by an external consultancy firm;
- The group finalised implementation of a **Gifts policy**;
- An **Ethics Committee charter** was drawn up with a view to this Committee being set up;
- The working group also took note of the **recommendations of the French Anticorruption Agency** (Agence Française Anti-corruption - AFA).

The Manitou group is also a **member of the "Anticorruption Editorial Service Working Party" set up by Middlenext, the French association representing listed SMEs and midcaps.** The principal aim of the working party in 2017 was to draw up an anticorruption code and guidelines on its application. **This code was adopted by the group's Board of Directors** and will be deployed shortly in all the group's subsidiaries.

4.5. MEASURING AND ASSESSING PERFORMANCE

Thanks to its level of commitment, 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 tables of correspondence with the key standards.

PRIZES AND REWARDS

Group performance on CSR has gained acclaim and been 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 fifth year running to the Gaïa Index questionnaire, had a rating in 2017 of 85/100, unchanged from the previous year. We are in 18th place (out of 230) in the general classification and and in 16th place (out of 87) in the classification of companies with "Revenue > €500 m".

Following its award of the Grand Prix Entreprises et Environnement (Business and Environment Award) 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 Award for the Environment (EBAE Award)** for its REDUCE programme and its overall CSR performance.

In September 2016, the Manitou group received the Gouvernance d'or award in the Midcap Corporate Governance category of the Grands Prix du Gouvernement d'Entreprise (Corporate Governance Awards) presented by AGEFI (Agence économique et financière), France's business and financial information agency. This prize was in part related to the group's performance in the Gaïa Index.

For the second consecutive year, the group was rewarded by the Purchasing sector at the 11th edition of the Trophées des Achats (purchasing awards) on 19 June 2017, in Paris, being awarded the Business Innovation prize for its suppliers think tank project within the Mechanical Welding ecosystem.

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 French Law setting out the National Commitment to the Environment (the so-called Grenelle II Act) and the non-financial performance statement (French Decree of 9 August 2017 on the publication of non-financial information by certain major companies and corporate groups).

In this regard, Manitou drew inspiration from the Global Reporting Initiative (GRI) 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 2017 scope covered:

For the environmental indicators: all our French and Italian sites. 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, will trial environmental reporting for its scope in 2018 and feedback is expected the same year.

For the social indicators: since 2015, the scope for social reporting has covered all the Manitou group subsidiaries as regards social information related to headcount. Only Manitou BF, for France, Manitou Americas for the United States and Manitou Italia (covering 87% of headcount) have included the indicators relating to compensation and safety training within the scope of their CSR reporting. The training, workplace accidents and absenteeism indicators only cover France and Italy (65% of headcount). The scope for France excludes LMH (33 employees) and CFM Ile de France (creation in 01/01/2017). The Internal Audit Department conducts (HR) audits for all the subsidiaries. The companies acquired by the group in 2017 (Manitou Equipment India - MEI) and Marpoll Pty Ltd (LiftRite) have not been incorporated into this reporting.

With regard to overall management of the CSR strategy, indicators could be improved to report more effectively on progress with action plans and to reflect more accurately the reality within the group on the various topics.

PROCEDURE

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

- A methodology guide, which clarifies how the reporting is organised (roles and tasks) and makes it possible to standardise procedures and definitions;
- Two data collection tables for each topic (environment and social) that 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 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 II Law and its implementing 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 1 January to 31 December of each year. To facilitate reporting, data for the environmental indicators, with the exception of water, were gathered in 2017 over the period from 1 December to 30 November (based on the quarterly bills for consumption).

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

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 determine 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 that leads to the creation, or incorporated into, 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: storage of waste 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.

Paints: 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), excluding non-material welding gas.

CLARIFICATIONS REGARDING METHODOLOGY – SOCIAL INDICATORS

Non-financial reporting covers the period from 1 January to 31 December each year. It does not include the acquisitions made in 2017: Manitou Equipment India (MEI) and Marpoll Pty Ltd (Liftrite) in Australia.

Employees: members of staff with an employment contract with Manitou or one of its companies - excluding non-consolidated companies. This means staff with open-ended or fixed term employment contracts (including those on the international corporate volunteer programme) present on 31 December 2016, whether they are on full-time or part-time working. Those with vocational-training or apprenticeship contracts or on sabbatical, maternity, parental or sick leave are included in headcount. Job-placement students are not counted as employees. Expatriates and seconded employees are included in the host country figures.

Headcount:

France headcount: employees working for Manitou BF. LMH and CFM Ile de France are out of scope.

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 employment contract, be it for a fixed term or open ended, concluded during the year under consideration. A recruitment is not counted when a fixed-term contract is renewed on the same basis. Two recruitments are counted when a second fixed-term contract is concluded following a break period, when the basis of the contract changes or when someone on a fixed-term contract is recruited on a permanent basis. Internal transfers (mobility) and secondments are not considered to be recruitment.

Sick leave: the sick leave considered concerns leave approved by the country's reference organisation (the CPAM health insurance office in France). The theoretical number of hours worked corresponds to the theoretical number of hours, minus any holidays specified in the collective labour agreement.

Workplace accidents: commuting accidents are included in workplace accident 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 illnesses separately: when the same employee is affected by two separate occupational illnesses, we count both illnesses. In 2014, the indicator counted occupational illnesses reported. Since 2015, the indicator has counted accepted occupational illnesses.

Training: the number of hours of training between 1 January and 31 December of each year is included for employees (fixed-term and open-ended contracts), whether the training is delivered in-house or externally and regardless of whether or not the trainer is accredited. Training entitlement under the personal training account arrangement is included in the hours of training. Only training with a sign-off or attendance sheet is included for this indicator. The 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, fitness-to-drive certificate (CACES), 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 and organisation costs, transport and logistics costs, the salary costs of in-house trainers and mandatory contributions (e.g. the accredited employer/trade union-funded training contribution collection body for the metal industry, OPCAIM, and the individual training leave management fund, Fongecif, in France) after deduction of training subsidies.

Disability: person is considered to be disabled if acknowledged as such by an accredited organisation or institution under the terms and conditions laid down in the prevailing legislation and regulations.

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	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			p.52 to p.53	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	6.4.4	-	p.53	Number of recruitments and departures (resignations, dismissals and other reasons) Voluntary departure rate Number of employees on international mobility
Remuneration	I.a) 3.1	G4-51* G4-52* G4-53* G4-54* EC1 EC5			p.54	Total payroll
Change in compensation	I.a) 3.2	G4-55*			p.54	Change in payroll compared with change in headcount
WORK ORGANISATION						
Organisation of working time	I.b) 1	-	6.4.4	-	p.54	
Absenteeism	I.b) 2				p.53 to p.58	Rate of absenteeism due to accidents and illnesses (including occupational illnesses)
LABOUR RELATIONS						
Organisation of social dialogue	I.c) 1	LA4	6.4.3 & 6.4.5	# 3	p.55	-
Outcome of collective agreements reached within the company	I.c) 2				p.55	
HEALTH AND SAFETY						
Health and safety in the workplace	I.d) 1	LA5	6.4.6	# 4 - 5	p.57	Number of hours of training devoted to safety
Agreements signed with trade unions or employee representative bodies as regards health and safety at work	I.d) 2	LA8			p.55	-
Frequency and severity of workplace accidents	I.d) 3	LA6 LA7			p.58	Accident frequency and severity rates for group employees Accident frequency and severity rates for temporary workers
Occupational illnesses	I.d) 4	LA6			p.58	Number of occupational illnesses recognised in the year
TRAINING						
Training policies implemented	I.e) 1	LA10 LA11	6.4.7	-	p.53	Percentage of the payroll devoted to training
Number of hours of training	I.e) 2	LA9 HR2			p.53	Number of employees that have attended at least one training course Training access 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	p.55	Proportion of female headcount by status
Measures taken to promote the employment and integration of people with disabilities	I.f) 2.1	LA12			p.56	Number of people with disabilities and proportion in the headcount
Anti-discrimination policy	I.f) 3	LA12 HR3			p.55	

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
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	p.44, p.61, p.63	. 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	p.55, p.56	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	p.61, p.63	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	p.61, p.63	
ENVIRONMENTAL INFORMATION						
GENERAL ENVIRONMENTAL POLICY						
Company organisation in place to deal with environmental issues	II.a) 1.1	G4-1	6.5.1	# 7 - 8 - 9	p.48, p.59	-
Environmental assessment or certification procedures	II.a) 1.2	-	&		p.59	Proportion of revenue generated by ISO 14001-certified sites
Training and information granted to employees on environmental protection issues	II.a) 2	G4-43*	6.5.2		p.57	-
Resources devoted to the prevention of environmental risks and pollution	II.a) 3	EN30 EN31			p.58	-
Amount of provisions and guarantees allocated to environmental risks	II.a) 4	EC2			-	Since 2013, the company has taken out a specific "environmental damage" insurance policy, the purpose of which is to insure against 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	p.50, p.59	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	p.59	Compliance rate for aqueous industrial discharge
Prevention, reduction and repair measures: soil	II.b) 1.3	EN24	6.5.3	# 7 - 8 - 9	p.60	-
Integration of noise pollution and any other form of pollution specific to an activity	II.b) 2	EN24	-	-	p.51	-
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	p.59	- Volume of industrial waste generated per equivalent truck produced - Recycling rate by type of industrial waste
Actions taken to combat food waste	II.c).i) 2	-	-	-	p.62	-
Sustainable use of resources	II.c).ii)	-	-	-	-	-

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
Water consumption	II.c).ii) 1.1	EN8	6.5.4	# 7 - 8 - 9	p.59	- Water consumption 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			p.59	- Paint 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			p.59	
Measures taken to improve energy efficiency	II.c).ii) 3.2	EN6 EN7				- Energy consumption per equivalent truck
Measures taken to improve the use of renewable energies	II.c).ii) 3.3	-			-	Installation of solar panels in Benelux (360 m2) and several panels at the Castelfranco site in Italy.
						No other use of renewable energies
Use of land	II.c).ii) 4	EN11			p.60	New R&D tests building: ground area of 810 m2
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	p.59	Emissions of GHG by equivalent truck
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	p.60	-
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 S01	6.8.5	-	p.62	-
On neighbouring and local populations	III.a) 2	EC6 EC7 EC8 EC9 HR8 S01 S02	6.8	-	p.62	-
RELATIONSHIPS MAINTAINED WITH PERSONS OR ORGANISATIONS INTERESTED IN THE COMPANY'S ACTIVITIES						
Conditions of dialogue with these persons or organisations	III.b) 1	G4 26 G4-37	5.3.3	-	p.62	-
Partnership and corporate sponsorship actions	III.b) 2	EC 7	6.8.9	-	p.62	-
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	p.61	-
Importance of sub-contracting and the integration of social and environmental responsibility into relationships with suppliers and sub-contractors	III.c) 2	LA14 LA15 G4-12 EN32 EN33 HR5 HR9 HR11 S09 S010	6.6	# 1 - 2	p.61	-

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
ETHICAL PRACTICES						
Actions undertaken to prevent fraud and corruption	III.d) 1	G4-56 - G4-58 SO3 SO4 SO5	6.6.3	# 10	p.52, p.63	Proportion of the headcount working in sensitive countries in terms of corruption (GAIA Rating Methodology based on the 2016 Corruption Perceptions Index (CPI) of International Transparency: the countries selected have a score of <50 out of 100.
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	p.51	-
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) Correspondence table for the non-financial reporting criteria for Grenelle II (article 225 and Decree of 19/08/2016) - GRI G4. Utopies. 4 p. February 2017.

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

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

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

To the Shareholders,

At the request of the company MANITOU BF and in our capacity as an independent verifier accredited by the French Accreditation Committee, COFRAC, under the number 3-1081 (made available at www.cofrac.fr), we present our report on the consolidated social, environmental and societal information established for the financial year ended on 31 December 2017 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 draw up a management report including the consolidated social, environmental and societal information referred to in article R. 225-105-1 of the French Commercial Code (hereinafter 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 established under statutory and regulatory provisions, the code of ethics of our profession, as well as the provisions of article L. 822-11 of the French Commercial Code. In addition, we have put in place 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

Our responsibility, based on the work we have performed, to:

- Confirm that the requisite Information is present in the management report or, in the event of its omission, that an appropriate explanation has been granted, in accordance with paragraph 3 of article R. 225-105 of the French Commercial Code a\nd Decree no. 2012-557 of 24 April 2012 (Confirmation of presence);
- Express a conclusion confirming with limited assurance that the Information is presented fairly, in all material aspects, in accordance with the criteria used (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, within the meaning of article L.233-1 of the French Commercial Code, and the entities it controls, within the meaning of article L.233-3 of that same Code.
- In the absence of certain consolidated information, we checked that explanations were granted in accordance with the provisions of Decree no. 2012-557 of 24 April 2012.

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

REASONED OPINION ON THE ACCURACY OF THE 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 checks 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 accuracy, 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 4 January and 22 February 2018, over a period of around 14 days. We conducted eleven interviews with those responsible for preparing the CSR information from the Departments handling the information gathering process and, where applicable, those responsible for the internal audit and risk management procedures.

We conducted the following work:

- We assessed the suitability of the reporting criteria based on their relevance, completeness, neutrality, clarity and reliability, taking into consideration, where applicable, industry best practices.
- We verified the implementation of a process within the group for the collection, compilation, processing and control for completeness and consistency of the CSR Information. We noted the procedures for internal audit and risk management related to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting.
- We identified consolidated information to test and determined 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 consolidation 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 granted, 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, within the meaning of article L.233-1 of the French Commercial Code, and the entities it controls, within the meaning of article L.233-3 of that same Code, within the limits specified in the methodology guide referred to 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 has been fairly presented, in all material aspects, in accordance with the criteria.

Lyons, 3 April 2018
FINEXFI, Isabelle Lhoste, Associate

(1) Companies selected for the tests: Manitou BF (Aubinière and Candé sites), Manitou Italia and Manitou Americas.

5. CORPORATE GOVERNANCE REPORT

73

CONTENTS

5.1. GOVERNANCE IN 2017

Since August 2010, the company has been adhering to the MiddleNext Code of Corporate Governance for Mid-caps. This Code can be found on the Internet at www.middlenext.com.

The group's corporate governance complies with the MiddleNext Code. In addition, the Board of Directors has taken note of the items presented under the heading "Points to be watched", which are the key provisions of the Code.

The governance system is organised so that there is no overlap between the functions of a non-executive Chairman of the Board of Directors and a Chief Executive Officer, the only permanent representative with executive power. This report sets out in detail the three key governance powers, as defined in the MiddleNext Code.

All the rules of procedure for the Board of Directors are set out in an internal regulation establishing four specific committees:

- the Strategic Committee;
- the Compensation Committee;
- the Audit Committee;
- the Development Committee.

GOVERNANCE CHANGES IN 2017

Following the Annual General Meeting of 8 June 2017, Manitou's Directors elected the new Chairman of the Board of Directors, Jacqueline Himsworth, the former Deputy Chairman of the Board, as confirmed in the new Shareholder Agreement signed between the Braud and Himsworth family branches on 3 May 2017.

After more than 60 years devoted to developing Manitou, Marcel Braud, Manitou's founder, has retired from all administrative offices and has become Honorary President of the group.

Renewal of the Michel Denis' term of office as CEO:

At the meeting of the Board of Directors of Manitou BF on 5 December 2017, it was unanimously decided to renew early the term of office of Michel Denis as CEO. The new term of office will come into effect from the date of the 2018 Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2017 and is renewed for a term of four years, that is to say until the 2022 Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2021.

5.1.1. OPERATION OF THE BOARD OF DIRECTORS AND SPECIALIST COMMITTEES

OPERATION OF THE BOARD OF DIRECTORS

The internal regulation sets out the way in which the Board of Directors is organised and operates. In particular, it specifies the role and operational procedures of the Board of Directors and its specialist committees, established in accordance with the statutory provisions and the provisions of the Articles of Association. The regulation also details the roles and powers of the Chairman and the Executive Management, as well as their respective obligations. In this regard, it includes a Directors' Charter setting out the rights and obligations incumbent on Manitou's Directors to ensure good corporate governance. These principles are based on the duties of due diligence, independence, transparency and confidentiality.

In 2017, the members of the Board of Directors met ten times as a Board. During these meetings, the group's activities, strategic focuses and current projects were reviewed. Particular attention was focused throughout 2017 on the organisation for the new governance system, the proposed acquisitions of Terex Equipment Private Limited in India and Marpoll Pty Ltd (LiftRite Hire & Sales) in Australia, as well as the group's new strategic roadmap.

Meetings of the Board are held, when convened by the Chairman, at the head office or, on an exceptional basis and for a portion of the members, over a secure telephone link.

Each member of the Board of Directors, and all staff representatives convened, received, in advance of the meetings, all the documents and information required by law and necessary for them to accomplish their tasks.

Minutes are drawn up systematically for each Board Meeting and granted to each member for approval. The average attendance rate at Board of Directors meetings for 2017 was 95.8%.

The statutory auditors were convened to Board meetings involving the examination of the half-yearly and annual accounts, in accordance with Article L.823-17 of the Code of Commerce.

The Directors are remunerated in the form of attendance allowances, the allocation of which is decided by the Board of Directors on the advice of the Compensation Committee, based on the diligence of the Directors and the time they devote to their office, including attendance at specialist committees. The Chairman of the Board receives compensation in accordance with the provisions of article L.225-47 of the Code of Commerce as well as attendance allowances. Details of all such compensation are given in paragraph 5.3.

In accordance with its internal regulation and in accordance with Recommendation R7 of the MiddleNext Code, the Board undertook a formal self-evaluation of its operation. Each Director presented his own evaluation based on a questionnaire drawn from the MiddleNext Code of Governance. The evaluation cover the operation of the Board and its committees in terms of their preparation, proceedings and follow-up, the objective being to monitor the points for improvement identified in January 2017. These contributions were analysed and summarised by an independent director. Various exchanged during the Board meeting on 6 March 2018 led to an action plan being proposed and those points applying to the Board were unanimously approved by the Board of Directors and the group's Executive Management.

SPECIALIST COMMITTEES

The Board of Directors has set up four specialist committees responsible for investigating matters falling within their remit and for submitting advice and recommendations to the Board.

THE STRATEGIC COMMITTEE

Its principle responsibilities are to assist the Board in drawing up strategy. It prepares the work of the Board in relation to the strategic plan, to any proposal for a strategic agreement, technological cooperation, industrial partnership, diversification or the range of activities, and all major investment or disposal transactions.

The Strategic Committee met three times in 2017.

THE AUDIT COMMITTEE

The members of the Committee have special skills for dealing with financial or accounting matters. These skills are assessed on the basis of their training and professional experience.

The key tasks of the Audit Committee are to:

- Monitor the process of drawing up financial information and, where appropriate, to formulate recommendations to guarantee their integrity;
- Analyse the financial impact of investment or disposal transactions;
- Check the efficacy of internal control and risk management systems and, where appropriate, internal audit in terms of the procedures for drawing up and processing accounting and financial information, without this impinging on its independence;
- Issue a recommendation on the statutory auditors nominated by the Annual General Meeting. This recommendation, which is submitted to the Board, is drawn up in accordance with the law. The Committee also issues a recommendation to the Board when the renewal of mandate, or reappointment, of the statutory auditors is envisaged under the terms and conditions laid down by law;
- Monitor the performance by the Statutory Auditors of their mandate and to take into account the statements and conclusions of the French supervisory body for the auditing profession, the Haut Conseil du Commissariat aux Comptes, in the wake of any audits conducted pursuant to legislative and regulatory provisions;
- Ensure compliance by the statutory auditors with the criteria for independence in accordance with the terms and conditions laid down by law;
- Approve the provision of services other than certification of the accounts in accordance with the applicable legislation and regulations;

- Report regularly to the Board on the performance of its tasks. It also reports on the findings of the certification of accounts process, on the way in which this process contributes to the integrity of the financial information and on the role that it plays in this process. It informs the Board without delay of any difficulty encountered.

Since the auditing reform in June 2016, the Audit Committee has stepped up its work. It therefore met ten times in 2017. Each meeting was the subject of minutes and the Audit Committee regularly spoke at the Board of Directors meetings to present its recommendations and conclusions. These recommendations were followed by the Board of Directors, The speeches made by the Audit Committee are set out in the minutes for the Board meetings.

In 2017, the Audit Committee met with the statutory auditors before the annual and half-yearly close of the accounts. These meetings gave rise to detailed exchanges between the Audit Committee and the statutory auditors when the new report by the statutory auditors was drawn up and presented.

It also verified the independence of the statutory auditors and took note of all the internal audit reports on the internal control tools and procedures put in place, that were presented by the Audit and Internal Control Officer. During these meetings, it met regularly with the CEO-CFO and the Financial Director, principally to deal with financial issues, taxation, funding tools and compliance.

THE COMPENSATION COMMITTEE

Its principal responsibilities are to prepare the work of the Board relating to the compensation of:

- The Directors, by making proposals on the allocation of attendance allowances based on the criteria laid down in the internal regulation, on the compensation of the Chairman of the Board of Directors and on the compensation granted to any directors assigned to certain tasks;
- Of the CEO by expressing an opinion on his total compensation, pension and healthcare schemes, fringe benefits and sundry rights, by proposing rules on variable compensation consistent with the group's strategy and the corresponding areas for evaluation as well as checking that they are applied in accordance with the company's duty of transparency as regards such compensation, the details of this compensation being set out in the annual report. Indepth work was also undertaken in respect of the renewal of the CEO's term of office.

More generally, the Committee is informed on an annual basis of the compensation policy applying within the group to the various salaried populations and draws up the "Say on pay" report.

The Compensation Committee met 8 times during the course of 2017 and its work was the subject of feedback from the Board of Directors.

THE DEVELOPMENT COMMITTEE

The Development Committee is composed of Directors who are members of the shareholding families. It did not meet in 2017.

5.1.2. COMPOSITION OF THE BOARD OF DIRECTORS OF MANITOU BF

Since 8 June 2017, the company has been governed by a Board of Directors composed of ten members. The terms of office as Directors of Jacqueline Himsworth, Gordon Himsworth, Marcel-Claude Braud, Sébastien Braud, Christopher Himsworth, Emilie Braud, Carole Lajous and Cécile Helme-Guizon are four years from the Annual General Meeting of 8 June 2017 until the 2021 Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2020. The terms of office as Directors of Dominique Bamas and Pierre-Henri Ricaud are two years from the Annual General Meeting on 8 June 2017 to the 2019 Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2018. Some Directors have been appointed for a shorter term so that the offices can be staggered in accordance with Recommendation R9 of the MiddleNext Code.

Until the Annual General Meeting on 8 June 2017, the company was governed by a Board of Directors composed of nine members. The terms of office of Marcel Braud, Jacqueline Himsworth, Gordon Himsworth, Marcel-Claude Braud, Sébastien Braud, Christopher Himsworth, Agnès Michel-Ségalen, Dominique Bamas and Pierre-Henri Ricaud was four years up to the 2017 Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2016.

The Board of Directors appoints from among its members a Chairman of the Board of Directors, who must be a natural person.

COMPOSITION OF THE BOARD OF DIRECTORS

	08.06.2017 to 31.12.2017		01.01.2017 to 08.06.2017
	DIRECTORS		**DIRECTORS**
Himsworth family branch	Jacqueline Himsworth, Chair of the Board of Directors	Himsworth family branch	Jacqueline Himsworth, Deputy Chair of the Board of Directors
	Gordon Himsworth		Gordon Himsworth
	Christopher Himsworth		Christopher Himsworth
Braud family branch	Marcel-Claude Braud	Braud family branch	Marcel Braud, Chairman of the Board of Directors
	Sébastien Braud		Sébastien Braud
	Emilie Braud		Marcel-Claude Braud
	INDEPENDENT DIRECTORS		**INDEPENDENT DIRECTORS**
	Dominique Bamas		Dominique Bamas
	Pierre-Henri Ricaud		Pierre-Henri Ricaud
	Carole Lajous		Agnès Michel-Segalen
	Cécile Helme-Guizon		

Following the renewal of the terms of office of the Board of Directors, four of its ten members are women, that is to say a ratio of men to women that complies with the statutory obligations. This renewal made it possible for the group to apply the principle of balanced representation of men and women on the Board of Directors.

Four members of the Board of Directors are independent, as confirmed by the evaluation made in accordance with the third recommendation of the MiddleNext Code. (It should be noted that there were three independent directors until the Annual General Meeting on 8 June 2017.) This independence is based, in particular, on the absence of any material financial, contractual or family relationship that could affect their independent judgement.

COMPOSITION OF THE BOARD OF DIRECTORS' COMMITTEES

	08.06.2017 to 31.12.2017		01.01.2017 to 08.06.2017
	STRATEGIC COMMITTEE		**STRATEGIC COMMITTEE**
Members	Jacqueline Himsworth, Chair	Members	Marcel Braud, Chairman
	Sébastien Braud		Marcel-Claude Braud
	Marcel-Claude Braud		Gordon Himsworth
	Christopher Himsworth		Dominique Bamas
	Gordon Himsworth		
	Dominique Bamas		
Alternate members	Carole Lajous	Alternate members	Sébastien Braud
			Christopher Himsworth
	AUDIT COMMITTEE		**AUDIT COMMITTEE**
Members	Pierre-Henri Ricaud, Chairman	Members	Jacqueline Himsworth, Chair
	Emilie Braud		Pierre-Henri Ricaud
	Cécile Helme-Guizon		Agnès Michel-Segalen
	Gordon Himsworth		
Alternate members	Sébastien Braud	Alternate members	Sébastien Braud
	Christopher Himsworth		
	COMPENSATION COMMITTEE		**COMPENSATION COMMITTEE**
Members	Dominique Bamas, Chair	Members	Dominique Bamas, Chair
	Carole Lajous		Christopher Himsworth
	Christopher Himsworth		Sébastien Braud
	Sébastien Braud		
Alternate members	Pierre-Henri Ricaud	Alternate members	Pierre-Henri Ricaud
	Marcel-Claude Braud		
	DEVELOPMENT COMMITTEE		**DEVELOPMENT COMMITTEE**
Members	Jacqueline Himsworth, Chair	Members	Marcel Braud, Chairman
	Gordon Himsworth		Jacqueline Himsworth
	Christopher Himsworth		
	Marcel-Claude Braud		
	Sébastien Braud		
	Emilie Braud		
		Alternate members	Sébastien Braud
			Gordon Himsworth

** This Committee did not meet in 2017.*

MARCEL BRAUD
HONORARY PRESIDENT OF THE GROUP FROM 8 JUNE 2017
(NON-EXECUTIVE) CHAIRMAN OF THE BOARD
OF DIRECTORS UNTIL 8 JUNE 2017

Nationality: French

Born on: 25 July 1932

Business address: 430 Rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise

CEO of Manitou, then Chairman of the Board of Directors for more than 50 years.

Other offices currently held (Manitou Group):

- Chairman of the Strategic Committee until 8 June 2017.
- Chairman of the Development Committee until 8 June 2017.

Offices 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 in companies related to the group

- Manager of HB-Holding Braud (France) since 1997.

JACQUELINE HIMSWORTH
DEPUTY CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL
8 JUNE 2017, THEN CHAIRMAN OF THE BOARD OF DIRECTORS
SINCE 8 JUNE 2017 FOR A FOUR-YEAR TERM

Nationality: French

Born on: 27 May 1943

Business address: 430 Rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise

A graduate of the ESSCA French business college; Chair of Ets Marcel Braud from 1986 to 2000; Managing Director of SFERT from 1984 to 2009 and Chief Executive Officer of SFERT from 2009 to 2011.

Other offices currently held (Manitou Group):

- Chair of the Strategic Committee since 8 June 2017.
- Chair of the Development Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- Chair of the Audit Committee until 8 June 2017.
- Member of the Development Committee until 8 June 2017.
- Chair of the Audit Committee until June 2013.
- Member of the Development Committee until June 2013.

Other offices held in companies associated with the group:

- Manager of the civil-law partnership Ancemat since 2008.

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

- None

Other offices held in companies independent of the group:

- Manager of Tamecna since 2011

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

- None

GORDON HIMSWORTH
MEMBER OF THE BOARD OF DIRECTORS
DIRECTOR SINCE 1998. RE-ELECTED IN JUNE
2017 FOR A TERM OF FOUR YEARS

Nationality: British

Born on: 4 September 1938

Business address: 430 Rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise

Former CEO of Braud SA, Director of Manitou Finance Ltd (UK), Graduate of the School of Management (UK)

Other offices currently held (Manitou Group):

- Member of the Strategic Committee since 8 June 2017.
- Member of the Audit Committee since 8 June 2017.
- Member of the Development Committee since 8 June 2017.
- Director of Manitou Finance Ltd since June 1999.

Offices expired during the last five years (Manitou Group):

- Alternate Member of the Development Committee until 8 June 2017
- Member of the Strategic Committee until 8 June 2017
- 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 in companies related to the group that expired during the last five years:

- None

Other offices in companies independent of the group:

- Manager of Menskin SARL (France) since 8 October 2012
- Manager of the civil-law real-estate partnership (SCI) "6 rue Poupard Davyl", Ancenis (France), since 2000

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

- CEO of SAEMIA SA (France) from 1990 to 2014

CHRISTOPHER HIMSWORTH
MEMBER OF THE BOARD OF DIRECTORS
DIRECTOR SINCE DECEMBER 2009. RE-ELECTED IN
JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 7 June 1971

Business address: Avenue de Floréal 156, B-1180 Uccle (Belgium)

Other offices currently held (Manitou Group):

- Member of the Compensation Committee since June 2017
- Member of the Strategic Committee since June 2017.
- Member of the Development Committee since June 2017.
- Alternate Member of the Audit Committee since June 2017.

Offices expired during the last five years (Manitou Group):

- Member of the Compensation Committee until June 2017.
- Alternate Member of the Strategic Committee until June 2017.
- 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 in companies independent of the group:

- Managing Director of Trinity Group SPRL since 13/10/2011
- Deputy Director of Choose and Work since 2016

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

- Manager of Menskin SARL (France) until October 2012

SÉBASTIEN BRAUD
MEMBER OF THE BOARD OF DIRECTORS
DIRECTOR SINCE JUNE 2009. RE-ELECTED IN
JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 16 January 1969

Business address: 34 Avenue de Larrieu – Centre de Gros 2 – F-31094 Toulouse Cedex France

Experience and management expertise

President of Actiman Equipements et Services SASU (Manitou dealership), 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 years.

Other offices currently held (Manitou Group):

- Member of the Strategic Committee since 8 June 2017.
- Member of the Development Committee since 8 June 2017.
- Member of the Compensation Committee since 8 June 2017.
- Alternate Member of the Audit Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- Member of the Compensation Committee until 8 June 2017.
- Alternate Member of the Strategic Committee until 8 June 2017
- Alternate Member of the Audit Committee until 8 June 2017.
- Alternate Member of the Development Committee until 8 June 2017
- 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 in companies independent of the group:

- President of Actiman Location SAS since 2005.
- President of Actiman Equipment et Services SASU since December 2015.

EMILIE BRAUD
MEMBER OF THE BOARD OF DIRECTORS
ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 20 February 1981

Business address: 430 Rue de l'Aubinière - BP 10249 - F-44158 Ancenis Cedex France

Experience and management expertise

A graduate from the ESSEC business school, specialisation Audit and Management Control, holder of a DECF (accounting and financial studies diploma) as well as an "Administrative Objective" certificate for the EM LYON business school women directors programme, Emilie Braud began her career in 2006 as management controller for Cartier in Paris, a subsidiary of the Swiss group Richemont, specialising in luxury jewellery and clock making. At the end of 2007, Emilie Braud joined HRA Pharma, a pharmaceutical company specialising in the development and marketing of treatments in the fields of women's health and endocrinology, where she held the position of Senior Financial Controller.

Other offices currently held (Manitou Group):

- Member of the Audit Committee since 8 June 2017.
- Member of the Development Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group:

- None

MARCEL-CLAUDE BRAUD
MEMBER OF THE BOARD OF DIRECTORS
SINCE 28 JUNE 2023. RE-ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 06 April 1952

Business address: 430 Rue de l'Aubinière - BP 10249 - F-44158 Ancenis Cedex France

Experience and management expertise

A graduate from ESLSCA Paris Business School (1975), he undertook management training in Atlanta and Chicago (International Harvester), USA, from 1977to 1978. Administrative and Financial Director for SM Termit France, a subsidiary of Manitou BF, from 1979 to 1981, CFO of KD Manitou (a subsidiary of Manitou BF, Texas, USA) from 1981 to 1985, Product Marketing Director (Manitou Group) from 1986 to 1997 and Deputy CEO of Manitou BF from 1986 to 1998, Chairman of the Supervisory Board of Manitou BF from 1998 to June 2009 (offices held in subsidiaries and companies associated with the group), Director of Ligerien Yachting from 2009 to 2015, the Director of Manitou BF since 2013.

Other offices currently held (Manitou Group):

- Member of the Strategic Committee since 8 June 2017.
- Member of the Development Committee since 8 June 2017.
- Member of the Compensation Committee since 8 June 2017.

Other offices held in companies associated with the group:

- Co-Manager of HB-Holding Braud (France) since 1997.

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

- Member of the Strategic Committee until 8 June 2017

Other offices in companies independent of the group:

- None

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

- Director of Ligerien Yachting (France) until 2015.

AGNÈS MICHEL-SÉGALEN
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT
DIRECTOR SINCE APRIL 2013, ELECTED IN JUNE 2013
FOR A TERM OF FOUR YEARS UNTIL JUNE 2017

Nationality: French

Born on: 26 March 1964

Business address: 58 Bd de la République – F-92210 St Cloud

Experience and management expertise

A graduate of the Paris Institute of Political Studies university, economic and financial 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 until 8 June 2017.

Offices expired during the last five years (Manitou Group):

- Member of the Audit Committee from April to June 2013.

Other offices in companies independent of the group:

- None

DOMINIQUE BAMAS
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR SINCE 23 APRIL 2014. RE-ELECTED IN JUNE 2017 FOR A TERM OF TWO YEARS

Nationality: French Born on: 15 September 1959

Business address: 25 Rue Michel Ange - F-75016 Paris

Experience and management expertise

A graduate of Audencia Nantes business management college and a chartered accountant. After starting his career with 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 June 2017
- Member of the Strategic Committee since June 2017.

Offices expired during the last five years (Manitou Group):

- Member of the Strategic Committee until 8 June 2017
- Chairman of the Compensation Committee until 8 June 2017.
- CEO of Manitou BF from 6 March 2013 to 13 January 2014
- Director of Manitou Finance Ltd from March 2013 to January 2014
- President of Manitou Americas from March 2013 until January 2014
- Member of the Board of Directors as an independent director of the Manitou group from December 2009 until 6 March 2013
- Member of the Audit Committee from September 2011 until 6 March 2013

Other offices in companies independent of the group:

- Member of the Avril Pole Végétal Group Liaison Committee since 28 May 2014
- Member of the Avril Pole Végétal Group Board of Directors since 28 May 2014
- President of Upsides Dirigeant Conseil (SAS) since Novembre 2011

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

- None

PIERRE-HENRI RICAUD
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR SINCE DECEMBER 2009. RE-ELECTED IN JUNE 2017 FOR A TERM OF TWO YEARS

Nationality: French

Born on: 25 March 1955

Business address: 5 Place des Ternes - F-75016 Paris

Experience and management expertise

Director the Matra Defense programme (1988-1992), Strategy Director for Lagardère Group (1992-1996), Strategy Director for MBDA (1996-1999), Corporate Secretary for EADS (2000-2003), Mergers and Acquisitions Director for EADS (2003-2006), Founder, Manager then President of the consultancy firm Pragma (since 2007).

Other offices currently held (Manitou Group):

- Chairman of the Audit Committee since 8 June 2017.
- Alternate Member of the Compensation Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- Member of the Audit Committee until 8 June 2017.
- Alternate Member of the Compensation Committee until 8 June 2017.
- 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 in companies independent of the group:

- President of the simplified limited-liability financial and strategic consulting firm Pragma since February 2013

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

- Member of the Supervisory Board of Recaero SA from 29 June 2015 to 15 December 2017
- Director of Recaero SA from May 2011 to 2013, and non-voting member of the Board of Directors from 2013 until 29 November 2014
- Manager of Fortum France SNC from June 2011 to December 2013

CÉCILE HELME-GUIZON
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR. ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 12 June 1965

Business address: Institut Français des administrateurs - 11 bis Rue Portalis, F-75008 Paris

Experience and management expertise

A graduate of EM Lyon, a chartered accountant and a director certified in France and the UK, Cécile Helme-Guizon began her career in 1987 with PwC first in auditing and then in corporate finance. She subsequently joined Kingfisher plc as Mergers and Acquisitions Director.

She took a position with Darty in 2001 as International Development Director, then General Director for Subscriptions and Services Activities and subsequently Strategy Director, a post she held from 2011 to 2017. From 2014 to 2016, she also undertake the executive management of Mistergooddeal.

Cécile Helme-Guizon is currently Chief Executive of the French Institute of Administrators and also Director of Sequana and its subsidiary Antalis International.

Other offices currently held (Manitou Group):

- Member of the Audit Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group:

- Chief Executive of the French Institute of Administrators since 2 January 2018
- Director, member of the Accounts Committee, member of the Appointments and Compensation Committee of Antalis International since 6 June 2017
- Director, member of the Strategic Committee of Sequana since 12 May 2016

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

- Strategy Director for the Fnac Darty Group until 22 May 2017
- Director of KESA France until 25 July 2017
- CEO of Ménafinance SA until 25 July 2017
- Director of Menafinance SA until 25 July 2017
- General Manager for Mistergooddeal until 30 April 2016
- Director of Mistergooddeal until 2 October 2015
- CEO of Mistergooddeal until 2 October 2015

CAROLE LAJOUS
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR. ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 30 December 1964

Business address: Fipec, 42 Avenue Marceau, F-75008 Paris

Experience and management expertise

After 17 years in financial management with the global leader of the paper industry, Carole Lajous took over as Chairman of Polyrey, one of its subsidiaries, to restructure it and manage its sale to the US conglomerate Illinois Tool Work.

She then joined the world of chemistry as Vice-President Chief Administration Officer and Global HR Director for the global nutrition and health division of Cognis (a leading manufacturer of active chemical ingredients for detergents, cosmetics and nutrition).

Carole Lajous then managed Cognis France at the time of its merger into the BASF Group. She then took executive management of the BASF Coatings France division, another BASF Group division with sales of €300 million, 70% of which was generated internationally.

From September 2016 to December 2017, Carole Lajous managed the supplies, services and solutions business line for the Quadran - Energies Libres group, and conducted a major acquisition in this rapidly growing sector.

She then joined the Paint, Ink and Adhesives Industry Federation in January 2018 as Chief Executive.

A director certified under the programme organised jointly by the French Institute of Directors and the Paris Institute of Political Studies in 2013, holder of an MBA from the HEC international business school, she also has also held the office of independent director in the Roquette family group (a major player in the processing of raw vegetable materials for industry and agrifeed) since December 2014.

She is also a unpaid director of a humanitarian association involved in the protection of children.

Other offices currently held (Manitou Group):

- Member of the Compensation Committee since 8 June 2017.
- Alternate Member of the Strategic Committee since 8 June 2017.

Other offices in companies independent of the group:

- Executive Director of Fipec since 1 January 2018
- Independent Director of Roquette Group since 31 May 2015
- Member of the Roquette Group Audit Committee since 31 May 2015
- Member of the Roquette Group Ethics and Sustainable Development Committee since 21 May 2015
- Independent Director, Planète Enfant et Développement, Association 1901, since June 2014

Offices expired during the last five years (Manitou Group):

- None

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

- Executive Management, BASF France, Paints division until September 2016
- Executive Management, Energies Libres, until December 2017

Over the past five years, none of the members of the Board of Directors or Executive Management have been:

- convicted of fraud;
- associated, in the capacity of executive or director, in a bankruptcy, receivership or liquidation;
- disqualified as a director;
- the subject of criminal charges or official public sanctions determined by statutory or regulatory authorities.

Conflicts of interest in the governing bodies and the executive management

To the best knowledge of the company, on the day on which this document is drawn up and with the exception of the information given below, no conflicts of interest have been identified between the duties of any members of the Board of Directors, or of the company's executive management in their capacity as corporate officers, and their private interests or other duties.

With the exception of the Shareholder Agreement referred to in paragraph 5.4.4.1, there is:

- no other arrangement or agreement concluded with the principal shareholders, clients or suppliers under which any member of the Board of Directors or executive management has been selected in this capacity;

- no restriction accepted by the members of the Board of Directors or executive management in relation to the disposal of their holdings in the company's capital.

It is specified that:

- Jacqueline Himsworth and Marcel Braud are sister and brother;

- Gordon Himsworth is the spouse of Jacqueline Himsworth;

- Marcel-Claude Braud, Sébastien Braud and Emilie Braud are the children of Marcel Braud; and,

- Christopher Himsworth is the son of Jacqueline and Gordon Himsworth.

It should also be noted that Sébastien Braud is the President of Actimen SAS, a Manitou dealership.

All related-party agreements are the subject of a special report by the Statutory Auditors given in section 8.4.2 of this document. Some of the non-independent Board members have performed executive or senior management functions within Manitou and other structures.

Expiry date for terms of office

The terms of office of the following members of the Board of Directors will expire at the end of the Annual General Meeting of shareholders to be held in 2021 to approve the financial statements for the period ending 31 December 2020: Jacqueline Himsworth, Gordon Himsworth, Marcel-Claude Braud, Sébastien Braud, Christopher Himsworth, Emilie Braud, Carole Lajous and Cécile Helme-Guizon.

The terms of office of the following members of the Board of Directors will expire at the end of the Annual General Meeting of shareholders to be held in 2019 to approve the accounts for the financial year ending on 31 December 2018: Pierre-Henri Ricaud and Dominique Bamas.

Service contracts and grant of special advantages

On the date on which this document is drawn up and to the knowledge of the company, there are no service contracts linking members of the governing, management or supervisory bodies to the issuer or to any of its subsidiaries and granting any special advantages under the terms thereof.

Board Secretary

Hervé Rochet, Corporate Secretary, acts as Secretary to the Board.

5.1.3. INDEPENDENCE OF BOARD MEMBERS

The group adheres to the MiddleNext Code of Corporate Governance. The independence of Board members is assessed in accordance with the criteria laid down in this governance code. On the date of publication, four members of the Board meet the criteria for independence.

These were assessed on the basis of article R8 of the MiddleNext Code and are mainly characterised by the absence of a material financial, contractual or family relationship likely to compromise the independence of their judgement.

5.1.4. ASSESSMENT OF THE BOARD OF DIRECTORS AND SPECIALIST COMMITTEES

The Board performed an internal assessment of its operation at the beginning of 2018. Each Board Member presented his or her assessment using a questionnaire based on the MiddleNext Code of Governance.

The assessment focused on the operation of the Board and of its committees in terms of their preparation, conduct and follow-up.

These contributions were analysed and summarized by an independent Board member, identifying strengths and weaknesses, as well as areas for improvement.

5.1.5. EXECUTIVE MANAGEMENT

The company's executive management is undertaken by the Chief Executive Officer (CEO), a position established under the company's articles of association and the powers of which are set out in the internal regulation of the Board of Directors.

The internal regulation of the Board of Directors states that the CEO is responsible for implementation of the group strategy, the medium-term objectives of which are set out in the strategic plan approved by the Board of Directors. The CEO proposes an annual budget for the next year, established on the basis of the strategic plan.

In addition, the internal regulation lists a certain number of operations for which the CEO must obtain prior authorisation from the Board of Directors.

The CEO may not combine an employment contract with a corporate office and all the components forming part of the CEO's fixed and variable compensation, including severance payments, pension scheme and allocation of stock options, are set out in chapter 5.4. All these components are in line with good governance principles in accordance with Recommendations R13 to R19 of the MiddleNext Code.

MICHEL DENIS
CHIEF EXECUTIVE OFFICER OF THE MANITOU GROUP SINCE 13 JANUARY 2014

Nationality: French

Business address: 430 Rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Experience and management expertise

A graduate from the ESSEC business school and the Ecole Centrale research university in Lyons, he began his career in strategic consulting. He joined Dalkia in 1994 to develop cogeneration. He subsequently managed the French business activities 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. In 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):

- Director of Manitou Americas (USA)
- Director of Manitou Finance Ltd (UK)
- Chairman of the Board of Directors of Manitou Italia (Italy)
- President of Cobra MS (France)
- Deputy Chairman of HMME (China)
- Director of Manitou Brasil (Brazil)
- Manitou BF representative, President of LMH Solutions (France)
- Manitou BF representative, President of Manitou Global Services (France)
- Sole Director of Manitou Manutencion Espana (Spain)
- President of Manitou Portugal (Portugal)
- Director of Manitou Equipment India Private Ltd (India)

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group:

- Director of Audencia since 29 December 2017
- Director of MEDEF 44 since 28 April 2016
- Member of the Board of Directors of CISMA since June 2015
- Member of the Board of Directors of GICAT since June 2015
- Manager of GLGM Conseil EURL since 2013
- Manager of Gamagule SARL since 2006

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

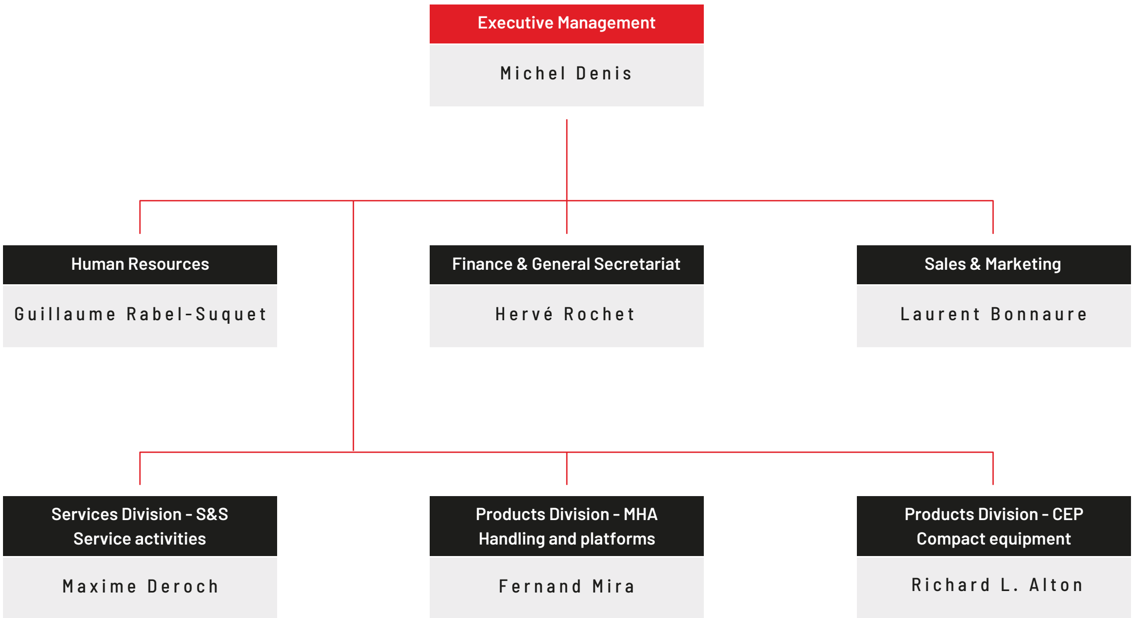
- Member of the Executive Board - CEO of FTI until the end of April 2013
- Chairman of the Board of Directors and Director of Fraikin France until the end of June 2013
- Member of the Board of Directors of Fraikin Ltd until the end of June 2013
- Member of the Board of Directors of Fraikin Alquiler de Vehiculos SA until June 2013
- Chairman and member of the Board of Directors of Fraikin Supply until the end of June 2013
- President of Frinvest until the end of June 2013

5.2. EXECUTIVE BODIES

COMPOSITION OF THE THE GROUP'S EXECUTIVE COMMITTEE (7 MEMBERS)

It is made up of seven members: the CEO, the Executive Vice President Human Resources, the Corporate Secretary, the Executive Vice President Sales & Marketing, the President of the Services & Solutions division, the President of the Material Handling & Access division and the President of the Compact Equipment Products division. The Executive Committee generally meets once a week and several times a year for seminars.

GROUP ORGANISATION CHART AT 6 MARCH 2018



MHA - Materiel Handing and Access *CEP - Compact Equipment Products* *S&S - Services & solutions*

CHANGES TO THE EXECUTIVE COMMITTEE

Richard L. Alton was appointed, from 17 April 2017, President of the Compact Equipment Products (CEP) division and member of the Executive Committee, to replace Daniel L. Miller, who retired at the end of April.

5.3. COMPENSATION PAID TO THE BOARD OF DIRECTORS AND EXECUTIVE BODIES

5.3.1. COMPENSATION OF EXECUTIVE OFFICERS

INFORMATION ON THE COMPENSATION OF CORPORATE OFFICERS

In accordance with the provisions of article L225-37-3 of the French Commercial Code, the total compensation and fringe benefits paid to each corporate officer in the financial year is 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 (from 1 January to 8 June 2017)	2016	2017
Compensation due for the period (see details in table 2)	176 664	95 832
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	**176 664**	**95 832**

In euros Jacqueline Himsworth, Chair of the Board of Directors (from 8 June 2017)	2016	2017
Compensation due for the period (see details in table 2)	105 000	163 438
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	**105 000**	**163 438**

In euros Michel Denis, Chief Executive Officer	2016	2017
Compensation due for the period (see details in table 2)	794 630	846 925
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	**794 630**	**846 925**

TABLE 2: SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

In euros	2016		2017	
Marcel Braud Chairman of the Board of Directors (from 1 January to 8 June 2017)	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	71 832	71 832
- Attendance allowances	33 000	30 000	24 000	39 000
- Benefits in kind				
TOTAL	**176 664**	**173 664**	**95 832**	**110 832**

In euros	2016		2017	
Jacqueline Himsworth Chair of the Board of Directors (from 8 June 2017)	Amounts due	Amounts paid	Amounts due	Amounts paid
- Compensation as Chair of the Board of Directors (in accordance with article L 225-47)			87 500	87 500
- Attendance allowances		105 000	75 938	57 938
- Benefits in kind				
TOTAL		**105 000**	**163 438**	**145 438**

In euros Michel Denis CEO	2016 Amounts due	 Amounts paid	2017 Amounts due	 Amounts paid
- Term of office (fixed compensation)	350 400	350 400	350 400	350 400
- Attendance allowances				
- Variable compensation	413 472	352 760	445 280	412 800
- Benefits in kind	30 758	30 758	51 245	47 745
TOTAL	**794 630**	**733 918**	**846 925**	**810 945**

5.3.2. COMPENSATION OF EXECUTIVES AND CORPORATE OFFICERS

TABLE 3: ATTENDANCE ALLOWANCES AND OTHER COMPENSATION RECEIVED BY BOARD MEMBERS

Board Members		Paid in 2015 for 2014	Paid in 2016 for 2016	Paid in 2017 for 2016	Paid in 2017 for 2017
Marcel Braud	Attendance allowances - Manitou BF	12 000	18 000	15 000	24 000
	Compensation - Manitou BF		143 664		71 832
	Other compensation				
Jacqueline Himsworth	Attendance allowances - Manitou BF		105 000		57 938
	Compensation - Manitou BF				87 500
	Other compensation				
Gordon Himsworth	Attendance allowances - Manitou BF	15 600	23 400	15 600	30 000
	Other compensation				
Sébastien Braud	Attendance allowances - Manitou BF	15 600	23 400	15 600	30 000
	Other compensation				
Dominique Bamas	Attendance allowances - Manitou BF	19 200	28 800	19 200	30 000
	Other compensation				
Christopher Himsworth	Attendance allowances - Manitou BF	15 600	23 400	15 600	30 000
	Other compensation				
Pierre-Henri Ricaud	Attendance allowances - Manitou BF	18 600	32 400	21 600	30 000
	Other compensation				
Marcel-Claude Braud	Attendance allowances - Manitou BF	15 600	23 400	15 600	30 000
	Other compensation				
Agnès Michel-Segalen	Attendance allowances - Manitou BF	18 600	32 400	21 600	33 000
	Other compensation				
Emilie Braud	Attendance allowances - Manitou BF				12 000
	Other compensation				
Carole Lajous	Attendance allowances - Manitou BF				12 000
	Other compensation				
Cécile Helme-Guizon	Attendance allowances - Manitou BF				12 000
	Other compensation				
TOTAL		**130 800**	**453 864**	**139 800**	**490 270**
	TOTAL - MANITOU BF ONLY	**130 800**	**453 864**	**139 800**	**490 270**
	OF WHICH ATTENDANCE ALLOWANCES	**130 800**	**310 200**	**139 800**	**330 938**
	OF WHICH COMPENSATION		**143 664**		**159 332**

TABLE 4: STOCK WARRANTS OR PURCHASE OPTIONS GRANTED TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY OTHER GROUP COMPANY

Options granted to each executive corporate officer by the issuer and any other group company	No. and date of plan	Type of options	Value of options using the method applied for the consolidated financial statements (IFRS2)	Number of options granted	Exercise price	Exercise period
None						

TABLE 5: STOCK WARRANTS OR PURCHASE OPTIONS EXERCISED IN THE FINANCIAL PERIOD BY EACH EXECUTIVE CORPORATE OFFICER

Options exercised by executive corporate officers	No. and date of plan	Number of options exercised during the financial period	Exercise price
None			

TABLE 6: PERFORMANCE SHARES GRANTED TO EACH CORPORATE OFFICER

Performance shares granted during the financial period to each executive corporate officer by the issuer and any other group company	No. and date of plan	Number of shares granted during the financial period	Value of shares using the method applied for the consolidated financial statements	Purchase date	Availability date
None					

TABLE 7: PERFORMANCE SHARES THAT BECAME AVAILABLE FOR EACH CORPORATE OFFICER

Performance shares that became available for each executive corporate officer	No. and date of plan	Number of shares that became available during the financial period	Purchase conditions
None			

OTHER REGULATED INFORMATION

Executive Corporate Officers	Employment contract		Supplementary pension plan		Indemnities or benefits due, or potentially due, as a result of termination or change of functions		Indemnity related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Marcel Braud Chairman of the Board of Directors Term start date: 28.06.2013 Term end date: 2017		X		X		X		X
Jacqueline Himsworth Chairman of the Board of Directors Term start date: 8.06.2017 Term end date: 2021		X		X		X		X
Michel Denis CEO Term start date: 13.01.2014 Term end date: 4 years, i.e. up to the AGM convened for approval of the financial statements at 31 December 2017		X		X	X		X	

The CEO is granted with an insurance policy covering involuntary loss of employment for a period of 24 months.

5.3.3. COMPENSATION POLICY (SUBJECT TO AN EX-ANTE VOTE BY THE SHAREHOLDERS' MEETING)

In accordance with article L225-37-2 of the Code of Commerce, the principles and criteria for determining, distributing and granting the elements of total compensation and benefits of any kind granted to the Chief Executive Officer and the Chairman of the Board of Directors shall be sumitted for approval by the General Meeting of the company's shareholders

With regard to determination of the total compensation of executive corporate officers, the Board of Directors, on proposal by the Compensation Committee, took into account the following principles, in accordance with Recommendation R13 of the MiddleNext Code of Corporate Governance of September 2016:

- Comprehensiveness: the determination of corporate officers' compensation must be comprehensiveness: fixed component, variable component (bonus), stock options, bonus shares, attendance allowances, pension terms and specific benefits must be taken into account in assessing overall compensation.
- Balanced between the various components of the compensation: each component of the compensation must be justified and correspond to the general interest of the company.
- Benchmarked: compensation must be assessed, to the extent possible, in relation to a reference profession and market, and must be in proportion to the situation of the company, while taking into account any inflationary effects.
- Consistent: the manager's compensation must be set in a manner that is consistent with that of the company's other managers and employees.
- Clear rules: the rules must be simple and transparent; the performance criteria used for the variable elements of compensation or for allocating any options or bonus shares must be linked to the performance of the company, correspond to its objectives, be demanding, explainable and, to the extent possible, sustainable. They must be set out in detail, without, however, undermining confidentiality, which may be justified as regards certain elements.
- Measured: the compensation and allocation of options or bonus shares should find the right balance and take account of the general interest of the company, market practices and manager performance.
- Transparent: annual information disclosure to shareholders on the compensation of the managers must be made in accordance with the applicable regulations.

PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND GRANTING THE ELEMENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY KIND GRANTED TO THE CHIEF EXECUTIVE OFFICER

PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND GRANTING THE ELEMENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY KIND GRANTED TO THE CHAIRMAN OF THE BOARD

The principles and criteria set by the Board of Directors, on recommendation of the Compensation Committee, are the following:

FIXED COMPENSATION

The CEO receives for his duties a fixed compensation that is determined on recommendation of the Compensation Committee and takes particular account of market practices. It was set by the Board of Directors at its meeting on 5 December 2017 and the Board reserves the option of reviewing the amount, subject to the opinion of the Compensation Committee.

VARIABLE ANNUAL COMPENSATION

The CEO may receive a variable annual compensation for his duties consisting of the following components:

- A performance-related bonus, for which the criteria for determination are based on factors linked to the financial performance objectives (recurring operating income). The details and level of performance expected for the quantitative criteria are predetermined and defined precisely by the Board of Directors on proposal by the Compensation Committee but are not made public for reasons of confidentiality. The maximum amount of the financial bonus that may be paid to the CEO corresponds to 30% of the fixed component of the compensation paid to the CEO for the financial period concerned.
- A multiple-criteria bonus, for which the criteria for determination are based on factors linked to the financial and commercial performance of the group. The qualitative criteria are predetermined and defined precisely by the Board of Directors on proposal by the Compensation Committee but are not made public for reasons of confidentiality. The maximum amount of the multiple-criteria bonus that may be paid to the CEO corresponds is set by the Board of Directors.

OTHER BENEFITS OF ANY KIND

- The CEO is paid the cost of transport between Angers/Nantes and his home address.
- The company has taken out an unemployment policy with the Association for Social Insurance for Company Managers and Executives in favour of the CEO.
- Retirement: the CEO is covered by the same pension and healthcare schemes as the company's executives.
- Car: the company covers the costs of a vehicle for the CEO.

EXCEPTIONAL COMPENSATION

The Board of Directors reserves the option, on proposal by the Compensation Committee, to grant the CEO exceptional compensation under very specific circumstances. The payment of this type of compensation must be justified by an event such as, for example, the realisation of a major transaction for the company.

THE ALLOCATION OF STOCK OPTIONS, BONUS SHARES OR FINANCIAL INSTRUMENTS

The establishment of this arrangement is in accordance with the market recommendations linked to this type of instrument and in accordance with redetermined performance criteria.

The Board of Directors, on proposal by the Compensation Committee, has put in place for the benefit of the CEO a Phantom Shares plan (a mechanism for the allocation of the value of shares based on the annual performance of the net result per share) under which the CEO may be paid an annual premium, the amount of which is determined in accordance with the conditions for allocation established by the Board of Directors. The number of Phantom Shares allocated to the CEO is determined on the basis of a criterion relating to the profit per share and paid in two tranches granted the predetermined objectives set by the Board of Directors are reached.

The payment of the variable components of the compensation and any exceptional compensation awarded for the 2018 financial year are subject to approval by the Annual General Meeting of the components of the CEO's compensation paid or awarded for that financial year under the conditions laid down in article L225-100 (ex-post vote).

COMMITMENTS TO THE CEO BASED ON ARTICLE L.225-42-1 OF THE CODE OF COMMERCE

SEVERANCE PAYMENTS

A severance payment may be paid to the CEO if his office is terminated before its due term or if it is not renewed, except where this termination or non-renewal are a result of serious misconduct.

The amount of the severance payment corresponds to 150% of the fixed annual compensation and variable compensation that is actually due for the previous financial year during which the termination or non-renewal took place, if the office is terminated between 14 June 2018 and 31 December 2019. It is 200% if the office is terminated between 1 January 2020 and the end of the term of office, granted that the financial criterion triggering the payment of this indemnity is met. This criterion is met if the CEO has been paid, for all the financial years from 2014 until the year preceding the financial year in which the term of office expires, an arithmetical average of at least 35% of the maximum potential amounts of his variable compensation.

NON-COMPETITION COVENANT

The CEO is required to abide by a non-compete obligation for a period of twelve months following the end of his term of office. In return for this, the CEO receive a monthly indemnity for a period of one year from the actual date of termination of his office. This indemnity is equal to half of the fixed monthly compensation paid in the last month preceding the termination of his office.

The company reserves the option of waiving the non-compete obligation in writing before the CEO's office terminates or within fifteen days of his departure. This will releive the company from payment of the above indemnity.

PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND GRANTING THE ELEMENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY KIND GRANTED TO THE CHAIRMAN OF THE BOARD

The following principles and criteria have been set by the Board of Directors:

- Attendance allowances
- Fixed annual compensation
- Company vehicle

The Chairman receives for his or her duties a fixed compensation and attendance allowance based on criteria that take particular account of his attendance at various committees.

There are no plans for the Chairman of the Board of Directors to receive variable annual compensation, deferred variable compensation, pluri-annual variable compensation or exceptional compensation.

5.3.4. PAYMENT OF THE COMPENSATION COMPONENTS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING (EX-POST VOTE)

COMPONENTS OF THE COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED TO THE CEO FOR THE 2017 FINANCIAL YEAR

The fixed, variable or exceptional components of the total compensation and benefits of any kind paid or allocated to M. Michel Denis for the 2017 financial year for his office as CEO will be submitted for approval by the Annual General Meeting convened to approved the financial statements for the year ended 31 December 2017.

The 2017 compensation policy was set out in the "Say on pay" report approved by the Annual General Meeting on 8 June 2017. This report is available on the group's website.

TABLE RELATING TO MR MICHEL DENIS

Compensation components paid or allocated for the financial year just ended	Amounts or accounting value submitted for approval	Presentation
Fixed compensation	€350 400	Amount paid
Variable annual compensation	€157 680	Bonus fixed on the basis of the financial and qualitative criteria being met by 90%
	€87 600	Outperformance bonus met in full
	€200 000	Long-term incentive bonus met in full
Variable pluri-annual compensation in cash	None	None
Award of stock options	None	None
Award of bonus shares	None	None
Exceptional compensation	None	None
Attendance allowances	None	None
Compensation, indemnities or benefits for taking up office	None	None
Components of compensation relating to the termination or change of office, pension commitments and non-compete covenants	None	None
Components of compensation and benefits of any kind relating to agreements concluded, in relation to the office, with the company, any company it controls, any company it is controlled by or any company under the same control.	None	None
Any other elements of compensation awarded in relation to the office	None	None
Benefits of any kind	€51 245	Unemployment insurance and housing allowance Car
	(accounting value)	

COMPONENTS OF COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED TO THE CHAIRMAN FOR THE 2017 FINANCIAL YEAR

The fixed, variable or exceptional components of the total compensation and benefits of any kind paid or allocated to M. Marcel Braud for the 2017 financial year for his office as Chairman will be submitted for approval by the Annual General Meeting convened to approved the financial statements for the year ended 31 December 2017.

TABLE RELATING TO MR MARCEL BRAUD FROM 1 JANUARY 2017 TO 8 JUNE 2017

Compensation components paid or allocated for the financial year just ended	Amounts or accounting value submitted for approval	Presentation
Fixed compensation	€71 832	
Variable annual compensation	None	None
Variable pluri-annual compensation in cash	None	None
Award of stock options	None	None
Award of bonus shares	None	None
Exceptional compensation	None	None
Attendance allowances	€24 000	None
Compensation, indemnities or benefits for taking up office	None	None
Components of compensation relating to the termination or change of office, pension commitments and non-compete covenants	None	None
Components of compensation and benefits of any kind relating to agreements concluded, in relation to the office, with the company, any company it controls, any company it is controlled by or any company under the same control.	None	None
Any other elements of compensation awarded in relation to the office	None	None
Benefits of any kind	None	None

The fixed, variable or exceptional components of the total compensation and benefits of any kind paid or allocated to MMe Jacqueline Himsworth for the 2017 financial year for her office as Chair will be submitted for approval by the Annual General Meeting convened to approved the financial statements for the year ended 31 December 2017.

TABLE RELATING TO MS JACQUELINE HIMSWORTH FROM 8 JUNE TO 31 DECEMBER 2017

Compensation components paid or allocated for the financial year just ended	Amounts or accounting value submitted for approval	Presentation
Fixed compensation	€87 500	
Variable annual compensation	None	None
Variable pluri-annual compensation in cash	None	None
Award of stock options	None	None
Award of bonus shares	None	None
Exceptional compensation	None	None
Attendance allowances	€75 938	None
Compensation, indemnities or benefits for taking up office	None	None
Components of compensation relating to the termination or change of office, pension commitments and non-compete covenants	None	None
Components of compensation and benefits of any kind relating to agreements concluded, in relation to the office, with the company, any company it controls, any company it is controlled by or any company under the same control.	None	None
Any other elements of compensation awarded in relation to the office	None	None
Benefits of any kind	None	None

5.4. INFORMATION CONCERNING THE CAPITAL

5.4.1. SHARE CAPITAL

At 31 December 2017, the share capital amounted to 39 621 598 euros, equating to 39 621 598 shares with a par value of 1 euro per share, all of which were fully paid-up and of the same class.

In the absence of double voting rights, this number of shares corresponds to the theoretical voting rights. The difference between the number of theoretical and real voting rights corresponds to the number of treasury shares.

5.4.2. CHANGES IN SHARE CAPITAL

Following an exercise of stock options in 2017, the share capital increased by 64 149 euros and therefore rose from 39 557 449 to 39 621 598 euros.

CHANGES IN SHARE CAPITAL

French simplified company limited by shares Lazard Frères Gestion (25 Rue de Courcelles, F-75008 Paris), acting on behalf of the fund that it manages, declared that it had exceeded the 5% threshold for capital and voting rights in Manitou BF on 13 January 2017, and that it held, on behalf of the fund, 1 979 054 Manitou BF shares, representing the same number of voting rights, i.e. 5.004% of the capital and voting rights in the company. It had exceeded the threshold as a result of buying Manitou BF shares on the market.

French simplified company limited by shares Lazard Frères Gestion (25 Rue de Courcelles, F-75008 Paris), acting on behalf of the fund it manages, declared that it had fallen below the 5% threshold for capital and voting rights in Manitou BF on 19 April 2017, and that it held, on behalf of the fund, 1 961 054 Manitou BF shares, representing the same number of voting rights, i.e. 4.96% of the capital and voting rights in the company. It had fallen below the threshold as a result of selling Manitou BF shares on the market.

Following an exercise of options, the share capital increased by 66 025 shares and therefore rose on 20 April 2017 from 39 551 949 to 39 617 974 shares.

On 10 June 2017, based on a total number of 39 617 974 company shares representing the same number of theoretical voting rights, Dominique Hinsworth, as an individual, dropped below the statutory thresholds of 50%, ⅓, 30%, 25%, 20%, 15 and 10% of the capital of the company and the statutory thresholds of 50%, ⅓, 30%, 25%, 20%, 15 and 10% of the company's voting rights.

On 10 June 2017, Dominique Himsworth held directly, or indirectly through the company Wecanrent that he controls, 2 060 000 shares in the company, representing the same number of voting rights, that is to say 5.20% of the capital and voting rights of the company.

These breaches of the thresholds arose from the entry into effect of the new Shareholder Agreement concluded on 3 and 4 May 2017 between the family shareholders. Dominique Himsworth, who was a party to the previous shareholder agreement, was not a signatory to the latest Shareholder Agreement.

On 10 June 2017, based on a total number of 39 617 974 company shares. representing the same number of theoretical voting rights, the Himsworth family branch dropped below the statutory shareholding limit of 30% of the company's capital and the statutory limit of 30% of the company's voting rights.

Following an exercise of options, the share capital increased by 1 274 shares and rose from 39 617 974 to 39 619 248 euros.

French simplified company limited by shares Lazard Frères Gestion (25 Rue de Courcelles, F-75008 Paris), acting on behalf of the fund it manages, declared, for amendment purposes, that it had exceeded the 5% thresholds for capital and voting rights in Manitou BF on 30 October 2017, and that it held, on behalf of the fund, 1 961 054 Manitou BF shares, representing the same number of voting rights, i.e. 5.01% of the capital and voting rights in the company. It had exceeded the threshold as a result of buying Manitou BF shares on the market.

French simplified company limited by shares Lazard Frères Gestion (25 rue de Courcelles, F-75008 Paris), acting on behalf of the fund it manages, declared that it had fallen below the 5% threshold for capital and voting rights in Manitou BF on 2 February 2018, and that it held, on behalf of the fund, 1 918 700 Manitou BF shares representing the same number of voting rights, i.e. 4.84% of the capital and voting rights in the company. It had fallen below the threshold as a result of selling Manitou BF shares on the market.

SUMMARY OF THE DELEGATIONS OF AUTHORITY TO CHANGE THE SHARE CAPITAL GRANTED BY THE ANNUAL GENERAL MEETING

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 up to a ceiling of 10% of the company's share capital, that is to say, as a reference, at 31 December 2015, 3 955 194 shares and an authorized overall 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 cancelling treasury shares up to a ceiling of 10% of the company's share capital or, as a reference, a ceiling of 3 955 194 shares at 31 December 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 up to an overall 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 up to an overall nominal ceiling of 8 million euros.	26 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 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 article L.411-2(II) of the French Monetary and Financial Code, with the cancellation of shareholders' pre-emptive subscription rights, up to a ceiling of 20% of the share capital per year and an overall 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 up to an overall 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 contributions of shares or securities convertible into shares, up to a ceiling of 10% of the share capital or, as a reference, at 31 December 2015, a ceiling of 3 955 194 shares, up to an overall 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 existing or future shares to some or all salaried employees and group corporate officers, up to a ceiling of 2% of the total share capital on the date of the Board of Directors' resolution.	38 months	Not used

Date	Type	Object	Validity period	Use made of this delegation of authority during the year
08.06.2017	Delegation of authority	Authorization for the Board of Directors to carry out transactions in company shares, i.e. to purchase shares or request their purchase up to a ceiling of 10% of the company's share capital, that is to say, as a reference, at 31 December 2016, 3 955 194 shares and an authorized overall amount not exceeding 100 million euros.	18 months	Used
08.06.2017	Delegation of authority	Authorization for the Board of Directors to reduce the company's share capital by cancelling treasury shares up to a ceiling of 10% of the company's share capital or, as a reference, a limit of 3 961 797 shares at 31 December 2017.	18 months	Not used
08.06.2017	Delegation of authority	Authorization for the Board of Directors to issue ordinary shares conferring, if appropriate, entitlement to ordinary shares or to the allocation of debt securities (of the company or a group company) and/or marketable securities conferring entitlement to ordinary shares (of the company or a group company), maintaining the pre-emptive subscription rights, up to an overall nominal ceiling of 8 million euros.	26 months	Not used
08.06.2017	Delegation of authority	Authorization for the Board of Directors to issue ordinary shares conferring, if appropriate, entitlement to ordinary shares or to the allocation of debt securities (of the company or a group company) and/or marketable securities conferring entitlement to ordinary shares (of the company or a group company), removing the pre-emptive subscription rights, through a public offering up to an overall nominal ceiling of 8 million euros.	26 months	Not used
08.06.2017	Delegation of authority	Authorization for the Board of Directors to issue ordinary shares conferring, if appropriate, entitlement to ordinary shares or to the allocation of debt securities (of the company or a group company) and/or marketable securities conferring entitlement to ordinary shares (of the company or a group company), removing the pre-emptive subscription rights, through an offering as referred to in Article L.411-2(II) of the French Monetary and Financial Code, up to a ceiling of 20% of the equity capital a year and an overall nominal ceiling of 8 million euros.	26 months	Not used
08.06.2017	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 up to an overall nominal ceiling of 8 million euros.	26 months	Not used
08.06.2017	Delegation of authority	Authorization for the Board of Directors to increase the capital by an issue of ordinary shares and/or marketable securities conferring entitlement to the capital up to a ceiling of 10% of the capital, in order to pay for contributions in kind of equities or marketable securities conferring entitlement to the capital up to an overall nominal ceiling of 8 million euros.	26 months	Not used

BREAKDOWN OF THE SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2017

	% of capital			% of voting rights		
	2015	2016	2017	2015	2016	2017
BRAUD AND HIMSWORTH FAMILIES	**65.4%**	**64.8%**	**64.4%**	**65.9%**	**67.2%**	**66.8%**
BRAUD FAMILY BRANCH(1)	**32.2%**	**32.2%**	**32.1%**	**32.4%**	**33.4%**	**33.3%**
HB Braud	22.1%	22.1%	22.1%	22.3%	22.9%	22.9%
Other	10.1%	10.1%	10.0%	10.1%	10.5%	10.4%
HIMSWORTH FAMILY BRANCH(2)	**33.3%**	**32.6%**	**32.3%**	**33.5%**	**33.9%**	**33.5%**
Ancemat(3)	6.2%	6.5%	6.5%	6.3%	6.8%	6.8%
Wecanrent(3)	5.2%	5.2%	5.2%	5.2%	5.4%	5.4%
Coliphin Invest(3)	5.3%	5.4%	5.4%	5.4%	5.6%	5.6%
Trinity Group(3)	5.2%	5.2%	5.2%	5.2%	5.4%	5.4%
Sonafina(3)	5.2%	5.2%	5.2%	5.2%	5.4%	5.4%
Other	6.1%	5.2%	4.9%	6.2%	5.4%	5.0%
YANMAR	**6.3%**	**6.3%**	**6.2%**	**6.3%**	**6.5%**	**6.5%**
TOYOTA	**2.8%**	**-**	**-**	**2.9%**	**-**	**-**
TREASURY SHARES	**0.8%**	**3.6%**	**3.6%**			
EMPLOYEE SHARE OWNERSHIP	**0.8%**	**0.7%**	**0.5%**	**0.8%**	**0.7%**	**0.6%**
OTHER	**23.9%**	**24.7%**	**25.2%**	**24.1%**	**25.6%**	**26.2%**
TOTAL	**100%**	**100%**	**100.0%**	**100%**	**100%**	**100.0%**
FLOATING	**34.6%**	**35.2%**	**35.6%**	**34.8%**	**36.5%**	**36.9%**

(1) The Braud family branch consists of: Marcel Braud, Liliane Braud-Orhon, Marcel-Claude Braud, Sébastien Braud, Emilie Braud, Valérie 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.

5.4.3. HOLDINGS AND CONTROL

Manitou is controlled by the Braud and Himsworth families, who together hold 64.4% of the share capital, 59.2% of which is jointly held. On the date of publication, Manitou's Board of Directors included four independent directors, as defined by the MiddleNext Corporate Governance Code, out of a total of ten directors. The position of CEO is separate from the office of Chairman of the Board of Directors and has been held by Michel Denis, who is independent of the Braud and Himsworth families, since 13 January 2014.

5.4.4. INFORMATION RELATING TO SHAREHOLDER AGREEMENTS AND COLLECTIVE COMMITMENTS TO RETAIN MANITOU SHARES

5.4.4.1. SHAREHOLDER AGREEMENT

The family shareholders signed a shareholders' agreement on 3 May 2017. This, which replaces the agreement entered into by the two groups, had an effective date of 10 June 2017 and was concluded for a period of four years. It includes the following provisions:

- an objective 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 favour of members of the agreement for sales of shares that would reduce the investment of either family branch to less than 20% of Manitou BF's share capital, or reduce the entire investment of the two family branches to less than 40% of the company's share capital, and any subsequent sale granted these thresholds are not exceeded, on the understanding that members of the seller's family branch have priority in the purchase of the shares sold;
- Manitou will continue to be governed by three directors representing the Braud family branch, three directors representing the Himsworth family branch and a number of independent directors (four for the first two years, and then three), appointed jointly by the directors representing the family shareholders;
- Jacqueline Himsworth will be Manitou BF's Non-Executive Chair throughout the duration of the agreement; and,
- Any transaction that would dilute the capital and/or voting rights will be subject to prior approval by the Board of Directors of Manitou BF adopted by a three-quarters majority. The intention was that these principles should apply from the date on which the renewal of the Board of Directors is submitted for approval to the Annual General Meeting of Manitou BF on 8 June 2017. It should be note that Dominique Himsworth, who was included in the previous shareholder agreement but was not a signatory to this agreement, may join both on a personal basis and as a representative of the company Wecanrent, at any time, as a member of the Himsworth family branch.

Any spouse or direct descendant of any of the signatories to the shareholder agreement may join, at any time, as a member of the family branch to which they belong, on condition that they own at least 10 000 full or stripped Manitou BF shares.

5.4.4.2. COLLECTIVE COMMITMENTS

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, Valerie Braud-Walsh and the company HB Holding Braud.*

5.4.5. THE EXISTENCE OF AGREEMENTS WHOSE IMPLEMENTATION COULD RESULT IN A CHANGE OF CONTROL

None

5.4.6. 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 a threshold being exceeded. The exceeding of thresholds reported to the AMF are publicly disclosed by the latter. This information is also transmitted within the same time frame and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If they are not declared in accordance with the regulations, the shares exceeding the fraction that should have been declared in accordance with the statutory provisions indicated above are denied voting rights at any shareholders' meetings held within two years of the date of the amending declaration.

Article 9 of Manitou's articles of association 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. In accordance with article L. 228-1(7) of the French Commercial Code, this requirement also applies in respect of all shares registered to those shareholders.

Any failure to make such declarations where the thresholds are crossed 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 Annual General Meeting.

5.4.7. DIVIDEND DISTRIBUTION POLICY

The Board of Directors will propose a dividend payment of €0.62 per share to the Annual General Meeting convened to approve the 2017 financial statements.

5.4.8. 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 financial years were as follows:

Period	Number of shares	Net dividend per share
2014	39 548 949	€0.35
2015	39 551 949	€0.36
2016	39 617 974	€0.43

5.4.9. TRANSACTIONS WITH RELATED PARTIES

Transactions carried out between the group and its associates are set out in note 31.1 of the notes to the consolidated financial statements.

Transactions with individuals and compensation and other benefits granted to executives are set out in notes 31.2 and 31.3 of the notes to the consolidated financial statements.

Transactions with related parties are also outlined in the Statutory Auditors' report on regulated agreements and commitments (note 6.4.2 of the annual financial report).

5.4.10. SHAREHOLDER PROCEDURES FOR TAKING PART IN ANNUAL GENERAL MEETINGS

Annual General Meetings of shareholders are convened under the conditions laid down by law. They take place at the registered office or at any other location specified in the notice convening the meeting. The shareholder procedures for taking part in Annual General Meetings, laid down in article 19 of the Articles of Association, do not include any specific provisions.

The rights and obligations attaching to shares are specified in article 9 of the Articles of Association.

6. FINANCIAL STATEMENTS

CONTENTS

6.1. CONSOLIDATED FINANCIAL STATEMENTS

6.1.1. STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

in thousands of euros		31.12.2016	31.12.2017
Net sales	Note 20	1 331 533	1 590 968
Cost of goods and services sold		-1 114 915	-1 332 246
Research and development costs		-18 339	-20,800
Selling, marketing and service expenses		-82 980	-94,701
Administrative expenses		-45 412	-49,696
Other operating income and expenses	Note 25	762	1 920
RECURRING OPERATING INCOME		70 649	95 445
Impairment of assets		0	0
Other non-recurring operating income and expenses	Note 21	-985	-4,966
OPERATING INCOME		69 664	90 479
Share of profits of associates	Note 8	2 482	2 447
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES		72 146	92 926
Financial income		21 878	16 556
Financial expenses		-30,039	-22,001
Financial income	Note 26	-8,161	-5,446
INCOME BEFORE TAX		63 985	87 480
Income taxes	Note 19	-20,883	-27,260
NET INCOME		**43 102**	**60 220**
Attributable to equity holders of the parent		42 912	60 069
Minority interests		190	151

EARNINGS PER SHARE (IN EUROS)

		31.12.2016	31.12.2017
Net income attributable to the equity holders of the parent	Note 1.24	1.11	1.57
Diluted earnings per share	Note 1.24	1.11	1.57

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE

in thousands of euros	31.12.2016	31.12.2017
INCOME (LOSS) FOR THE YEAR	43 102	60 220
Adjustments in the fair value of available-for-sale financial assets	300	60
Of which booked to equity	300	60
Of which transferred to income for the year	0	0
Translation differences arising on foreign activities	6 635	-27 273
Attributable to equity holders of the parent	6 624	-27 152
Attributable to minority interests	11	-121
Interest rate hedging instruments	-455	769
Attributable to equity holders of the parent	-455	769
Attributable to minority interests	0	0

in thousands of euros	31.12.2016	31.12.2017
Items that will be reclassified to profit or loss in subsequent periods	6 481	-26,444
Actuarial gains (losses) on defined benefits plans	-3 410	1 115
Attributable to equity holders of the parent	-3 389	1 099
Attributable to minority interests	-21	16
Items that will not be reclassified to profit or loss in subsequent periods	-3 410	1 115
OTHER COMPONENTS OF COMPREHENSIVE INCOME	3 070	-25 329
COMPREHENSIVE INCOME	**46 172**	**34 891**
Attributable to equity holders of the parent	45 992	34 845
Attributable to minority interests	180	45

The other components of comprehensive income are reported net of the associated taxes. The tax impact is as follows:

in thousands of euros	31.12.2016	31.12.2017
Items that will be reclassified to profit or loss in subsequent periods	129	-436
Items that will not be reclassified to profit or loss in subsequent periods	232	-3 784
TOTAL TAX IMPACT	**362**	**-4 220**

6.1.2. CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

ASSETS

in thousands of euros		31.12.2016	Net amount 31.12.2017
NON-CURRENT ASSETS			
TANGIBLE ASSETS	Note 6	150 454	153 317
GOODWILL	Note 5	288	288
INTANGIBLE ASSETS	Note 5	34 094	37 094
INVESTMENTS IN ASSOCIATES	Note 8	23 893	21 329
SALES FINANCING RECEIVABLES	Note 12	2 784	3 840
DEFERRED TAX ASSETS	Note 19	20 712	16 722
NON-CURRENT FINANCIAL ASSETS	Note 9	7 599	5 657
OTHER NON-CURRENT ASSETS		359	348
		240 184	238 596
CURRENT ASSETS			
INVENTORIES & WORK IN PROGRESS	Note 10	409 413	451 400
ACCOUNTS RECEIVABLE	Note 11	279 263	324 593
SALES FINANCING RECEIVABLES	Note 12	1 332	1 713
OTHER RECEIVABLES			
Current income tax		4 260	7 384
Other receivables	Note 14	27 758	32 348
CURRENT FINANCIAL ASSETS	Note 9	3 888	2 754
CASH AND CASH EQUIVALENTS	Note 9	53 602	39 570
		779 517	859 762
TOTAL ASSETS		**1 019 700**	**1 098 358**

LIABILITIES

in thousands of euros		31.12.2016	Net amount 31.12.2017
Share capital	Note 15	39 557	39 622
Share premiums		44 749	45 529
Treasury shares		-24,088	-24,305
Consolidated reserves		385 058	413 652
Currency translation differences		23 698	-3,440
Net profit (loss) – Equity holder of the parent		42 912	60 069
SHAREHOLDERS' EQUITY – Equity holder of the parent		511 886	531 126
MINORITY INTERESTS		72	1 974
TOTAL EQUITY		511 958	533 100
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS	Note 16	52 772	47 240
OTHER NON-CURRENT LIABILITIES		992	2 677
DEFERRED TAX LIABILITIES	Note 19	447	768
NON-CURRENT FINANCIAL LIABILITIES			
Loans and other financial liabilities	Note 9	52 948	47 899
		107 160	98 585
CURRENT LIABILITIES			
CURRENT PROVISIONS	Note 16	22 065	13 502
TRADE ACCOUNTS PAYABLE	Note 18	211 557	260 063
OTHER CURRENT LIABILITIES			
Current income tax	Note 19	2 563	4 304
Other liabilities		101 235	118 402
CURRENT FINANCIAL LIABILITIES	Note 9	63 162	70 402
		400 582	466 672
TOTAL LIABILITIES		**1 019 700**	**1 098 358**

6.1.3. CONSOLIDATED SHAREHOLDERS' EQUITY AT 31 DECEMBER 2017

CHANGE 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 31.12.2015	**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
Non-group dividends				-14 136				-14,136		-14 136
Change in 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 (gain) losses on employee benefits				-3 389				-3 389	-21	-3 410
Change 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**
2016 income				42 912	-42 912					
Income at 31.12.2017					60 069			60 069	151	60 220
Non-group dividends				-16 425				-16 425	-7	-16 432
Change in translation differences						-27 152		-27 152	-121	-27,273
Valuation differences under IFRS				1 015				1 015		1 015
Treasury shares			-217					-217		-217
Actuarial (gain) losses on employee benefits				1 099				1 099	16	1 115
Change in consolidation scope & other	65	780		-7		13		851	1 942	2 793
Shareholders' agreements									-78	-78
BALANCE AT 31.12.2017	**39 622**	**45 529**	**-24,305**	**412 744**	**60 069**	**-3,440**	**908**	**531 126**	**1 975**	**533 100**

6.1.4. CASH FLOW STATEMENT AT 31 DECEMBER 2017

	in thousands of euros		31.12.2016	31.12.2017
NET INCOME			**43 102**	**60 220**
Less share of profits of associates			-2 482	-2 447
Elimination of income and expenses with no effect on operating cash flow and not linked to operating activities				
+	Amortisation and depreciation		29 490	33 372
-	Provisions and impairment		-1 644	-6 744
-	Change in deferred taxes		2 099	-1 046
+/-	Income (loss) from non-current asset disposal		-104	-133
+/-	Other		-142	-1 226
EARNINGS BEFORE DEPRECIATION AND AMORTISATION			**70 319**	**81 996**
Changes in cash flows from operating receivables			8 990	-37 378
+/-	Change in inventories		-25 220	-45 582
+/-	Change in trade receivables		-10 648	-53 846
+/-	Change in finance contract receivables		46	-1 506
+/-	Change in other operating receivables		-6 561	-2 376
+/-	Change in trade accounts payable		29 195	49 003
+/-	Change in other operating liabilities		11 336	18 217
+/-	Change in taxes payable and receivable		9 745	-1 288
+/-	Change in liabilities linked to finance contract receivables		-14	0
Change in capitalised leased machines			-6 780	-9 366
CASH FLOW FROM OPERATING ACTIVITIES			**71 429**	**35 252**
Changes in cash flow from investing activities				
+	Proceeds from sale of intangible and tangible assets		206	370
+	Proceeds from sale of long-term investments		829	1 370
-	Purchase of intangible and tangible assets (excl. rental fleet)		-36 424	-40 754
-	Decrease (increase) of other financial assets		-324	-268
-	Acquisition of subsidiaries net of cash acquired		0	-510
-	Increase in capital of associates		0	0
+	Dividends received from associates		1 983	4 610
CASH FLOW FROM INVESTING ACTIVITIES			**-33 731**	**-35 181**
Changes in cash flow from financing activities				
+	Capital increase		72	845
-	Capital reduction			
-	Merger			
-	Dividends paid		-14 136	-16 432
+/-	Purchase/sale of treasury shares		-14 987	75
+/-	Change in financial liabilities	Note 9.8	-14 906	-584
	Of which loans taken during the year		44 109	233
	Of which loans repaid during the year		-59 015	-827
+/-	Other	Note 9.8	1 102	999
CASH FLOW FROM FINANCING ACTIVITIES			**-42 854**	**-15 097**
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS			**-5 156**	**-15 026**
Cash, cash equivalents and bank overdrafts at beginning of the year			53 800	49 169
Exchange gains (losses) on cash and bank overdrafts			525	-8
CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR			**49 169**	**34 135**

6.1.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2017

COMPANY IDENTITY

Manitou BF SA is a French public limited company (*société anonyme*) with a Board of Directors under French law with capital of 39,621,598 euros consisting of 39,621,598 shares with a par value of 1 euro per share, fully paid up. The shares are listed in compartment "A" of NYSE Euronext Paris.

The registered office of the parent company, 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 number: 857 802 508 RCS Nantes - SIRET (business registration) No.: 857 802 508 00047 - APE (principal activity code): 292 D - NAF (business sub-sector ID) No.: 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 6 March 2018.

NOTE 1 ACCOUNTING PRINCIPLES

NOTE 1.1. ACCOUNTING STANDARDS USED BY THE GROUP

The financial statements of Manitou Group at 31 December 2017, were drawn up, on the balance-sheet date, in accordance with the IFRS standards, as adopted by the European Union. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the Standard Interpretations Committee (SIC) interpretations thereof (endorsed by the IFRIC).interpretations.

NOTE 1.2. ACCOUNTING CHANGES IMPLEMENTED IN THE GROUP'S FINANCIAL STATEMENTS AT 31 DECEMBER 2017

The accounting and valuation rules applied by the group in the consolidated financial statements at 31 December 2017 are identical to those used in the financial statements at 31 December 2016.

NOTE 1.2.1. NEW STANDARDS REQUIRED TO BE APPLIED FOR THE 2017 FINANCIAL STATEMENTS

The provisions that were mandatory as at 1 January 2017 have no impact on the group's financial statements.

NOTE 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 31 December 2017 which were not required to be applied in 2017, notably IFRS 15, "Revenue from contracts with customers", IFRS 9 "Financial Instruments" and IFRS 16 "Leases".

IFRS 15 "Revenue from contracts with customers"

IFRS 15 introduces a new approach to revenue recognition set out in five stages. Ongoing analysis work has not led to the identification of major changes in revenue recognition at this stage (impact estimated for the 2017 financial year lower than 0.1% of the group's revenue). However, the accounting treatment of the warranty extensions offered will be amended by distinguishing between the sale of the machine and the warranty service. This change will increase the revenue of the S&S division and reduce that of the MHA division. The application of this standard may also change the date of recognition of income from "special" business. This standard will be applied from 1 January 2018.

IFRS 9 "Financial Instruments"

IFRS 9 introduces a new classification of financial assets based on the group's management intention, a dynamic model for impairment of financial assets based on expected losses in addition to the current model based on realised losses in addition to broader hedge accounting principles. The financial consequences of applying IFRS 9 are in the process of being finalised, but the group is not expecting any major impacts. However, a new method of provisioning its accounts receivable is under review. This standard will be applied from 1 January 2018.

IFRS 16 "Leases"

The group is reviewing the new IFRS 16 "Leases" standard, the application of which is expected to have significant impacts on the group's financial statements as they will recognise as an asset offsetting a liability, a substantial share of the rental obligations, leases, fixed fees and guaranteed minimums, made by the group as part of ongoing operational activities. The group has set up a working party to identify the changes brought about by this new standard and the types of contracts that fall within the scope of this new standard. Based on the inventory of contracts at 31 December 2016, an initial assessment of the impacts of this standard is under way. This standard will be applied as of 1 January 2019.

NOTE 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 judgements 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).

NOTE 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 31 December 2017.

Manitou Group has no special purpose entities. Furthermore, there was no deconsolidation in 2017 or in the prior periods.

NOTE 1.5. CHANGE IN SCOPE

The business combinations that took place after 1 January 2010 are accounted for using the purchase method, in accordance with IFRS 3 "Business Combinations" (revised).

Identifiable assets, liabilities and contingent liabilities of the entity acquired are accounted for at their fair value on the date of acquisition provided they fulfil the accounting criteria of IFRS 3 (revised). Residual goodwill represents the expected cash flow from post-acquisition synergies in addition to the assets and liabilities recognised during the first consolidation. The transaction costs are recognised immediately in expenses when they are incurred. In the event of a price adjustment in the 12 months following the date of acquisition, the initial provisional valuation is adjusted in exchange for goodwill. Any subsequent adjustment is recognised as a liability or a receivable through the group's income.

In the event of acquisition of an additional interest in a consolidated subsidiary, the difference between the acquisition price and the accounting value of the non-controlling interests is recognised as a change in shareholders' equity.

Any negative difference between the acquisition cost and the fair value of the identifiable net assets is recognised as income during the acquisition period.

In accordance with the provisions of IAS 36 "Impairment of assets", goodwill is not amortised, but is subject to an annual impairment test.

NOTE 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 recognised 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 recognised 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 recognised 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 recognised 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.

NOTE 1.7. 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

Net 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, labour directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortisation 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 COSTS

Research and development costs 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 capitalised as intangible assets and subsequently amortised as cost of sales. Expenses not meeting the criteria for capitalisation are recognised directly as expenses.

SALES AND MARKETING COSTS

Sales costs 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 costs, 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 & EXPENSES

The other non-recurring operating income and expenses, excluded from the recurring operating income, include:

- impairment,
- income from significant or unusual disposals of tangible and intangible assets,
- acquisition and consolidation expenses,
- income relating to "Badwill",
- income from disposals of consolidated securities,
- restructuring costs,
- 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.

NOTE 1.8. *INTANGIBLE ASSETS*

DEVELOPMENT COSTS are capitalised 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 to complete the development and then use or sell the intangible asset.

These costs 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 costs incurred between the decision to start development, the manufacture of new equipment and the testing and pre-series production phase for that equipment are recognised 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 recognised 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 recognised 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.

DEPRECIATION is calculated according to the estimated useful lives of the different categories of assets, using the straight-line method. The amortisable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortisable assets.

The main depreciation periods are as follows:

- patents: 5 years,
- computer software: 3 years,
- complex information systems - ERP: 7 years,
- development costs: 5 years.

NOTE 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, using the straight-line method. The amortisable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortisable 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 moulds: 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 capitalised when the unit value exceeds €15 thousand.

Equipment covered by financing leases for the benefit of customers is not capitalised, whether related to previously capitalised 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 capitalised in the appropriate asset categories. It is depreciated over a period of 8 years.

NOTE 1.10. *IMPAIRMENT OF A FIXED ASSET*

Assets for which the expected useful life is not defined, for example, goodwill, are not amortised and are subject to an annual test for impairment. The amortised 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 attachments, 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 5-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.

NOTE 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 labour 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 recognised when the net realisable value of goods and merchandise is less than their cost price.

NOTE 1.12. VALUATION AND RECOGNITION OF FINANCIAL ASSETS

NOTE 1.12.1. SALES FINANCE RECEIVABLES

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 recognised is recorded in the income statement.

NOTE 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 recognised in consolidated reserves.

An impairment loss is recognised 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.

NOTE 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 realised or sold in the very short term. All items are valued at their fair value against income.

NOTE 1.12.4. SHORT-TERM FINANCIAL ASSETS

Short-term financial assets are valued at their fair value against income.

NOTE 1.13. VALUATION AND RECOGNITION OF FINANCIAL LIABILITIES

NOTE 1.13.1. BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings are initially recognised at their fair value, net of directly attributable transaction costs. These borrowings are valued at their amortised 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.

NOTE 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 recognised 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 recognised 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.

NOTE 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).

NOTE 1.15. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

NOTE 1.15.1. VALUATION

Derivative instruments are initially recognised 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.

NOTE 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.

NOTE 1.15.3. ACCOUNTING TREATMENT

The method of recognising 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 recognised 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.

NOTE 1.16. TREASURY SHARES

Treasury shares held by the group are recognised at their purchase price against shareholders' equity, regardless of their future use (IAS 32).

When securities are sold, the sale price is recognised directly in Group shareholders' equity and the related cash receipt is recognised in cash and cash equivalents. No gain or loss is therefore recorded in the income statement for the period.

NOTE 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 (4 years).

No new grants were made during the period.

NOTE 1.18. *PROVISIONS*

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised 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.

WARRANTY

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 recognised 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 recognised and recorded as a provision when they have been documented in a detailed plan and have been announced or begun to be implemented.

NOTE 1.19. *EMPLOYEE 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 31 December 2017.

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.

NOTE 1.20. *TAXES*

In accordance with IAS 12, "Income Taxes", deferred taxes are recognised 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.

NOTE 1.21. *ACCOUNTING TREATMENT FOR GRANTS*

Public authority grants are recognised 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 recognised as balance sheet liabilities and reported in the income statement at the rate of depreciation of the relevant assets.

The research tax credit was recognised as grant income for the period.

NOTE 1.22. *SEGMENT INFORMATION*

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:

- net sales,
- operating income,
- operating income including net income from equity associates,

These are the performance indicators for the divisions.

The segments presented under the segment information are the MHA, CEP and S&S divisions.

NOTE 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 recognised immediately.

NOTE 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.

NOTE 2 *HIGHLIGHTS*

LITIGATION

In May 2017, action was taken against the Manitou group by J.C. Bamford Excavators Limited (JCB), in France, the United Kingdom and later Italy, for infringing two European patents regarding certain features related to the control system of the overload cut-off of certain telehandlers marketed in the European Union.

Financially, the claimant is seeking preliminary damages (subject to further evaluation) of €20 million before the French court. The claimant does not specify the amount claimed before the English court, but the summons indicates that, for procedural purposes, the commercial value of the claim is estimated to be in excess of GBP 10 million. For Italy, the summons does not specify the amount claimed.

The legal proceedings continued in the second half of the year. However, no significant event occurred during that period.

At the current stage in the proceedings, the financial risk that could be incurred is difficult to estimate. In addition, an outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou in its defence. Consequently, no provision has been set aside in the group's accounts for these claims.

NOTE 3 CHANGES IN SCOPE

TEREX

On 8 May 2017, the Manitou group purchased 100% of the shares of Terex Equipment Private Limited (TEPL) in India. Created in 2003, TEPL is specialised in the design, manufacture and distribution of construction equipment, primarily backhoe loaders and skid-steers. In 2016, TEPL generated sales of €30m essentially in the Indian sub-continent. The company's new name following its consolidation is Manitou Equipment India (MEI).

LIFTRITE (MARPOLL)

On 24 July 2017, Manitou took a majority stake in the Australian company Marpoll Pty Ltd (LiftRite Hire & Sales), based in Perth. LiftRite is a dealer specialising in the construction and mining sector, and the historic and exclusive distributor of Manitou and Gehl brand products in Western Australia.The transaction allowed the Manitou group to acquire 55% of the shares in LiftRite Hire & Sales, with an additional purchase option giving it the possibility of holding a 96% stake in 3 years' time. The company generated sales of €12m in 2016.

NOTE 4 INFORMATION ON THE OPERATING SEGMENTS

The group's organisational structure comprises three divisions, two product divisions and a service division: **The MHA product division** (Material Handling and Access – handling equipment and aerial work platforms) includes the French and Italian production sites mainly producing telehandlers, masted industrial and rough terrain forklift trucks, mounted forklift trucks and aerial work platforms. Its mission is to optimise the development and production of Manitou brand name products.

The CEP product division (Compact Equipment Products - compact equipment) optimises the development and production of Gehl & Mustang-branded skidsteer loaders, track loaders, articulated loaders, backhoe loaders and telehandlers.

The S&S division (Services & Solutions) 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 organisation to dealers and the group's major accounts in 140 countries.

CONSOLIDATED INCOME STATEMENT BY DIVISION (MHA, CEP, S&S)

31.12.2017 in thousands of euros	MHA Material Handling and Access	CEP Compact Equipment Products	S&S Services & Solutions	Total
Net sales	1 095 217	244 029	251 722	1 590 968
Cost of goods and services sold	-931 822	-214 385	-186,039	-1 332 246
Research and development costs	-17 042	-3 758		-20 800
Selling, marketing and service expenses	-43 168	-14 240	-37 293	-94 701
Administrative expenses	-28 002	-12 260	-9 434	-49 696
Other operating income and expenses	894	694	332	1 920
RECURRING OPERATING INCOME	**76 076**	**80**	**19 288**	**95 445**
Impairment of assets				
Other non-recurring operating income and expenses	-4 970	262	-258	-4 966
OPERATING INCOME	**71 106**	**342**	**19 030**	**90 479**
Share of profits of associates	-387		2 834	2 447
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**70 718**	**342**	**21 865**	**92 926**

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 costs	-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 expenses	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**

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 5-year period amounted to 4.25% in Europe and 4.87% in the USA, 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 expenses 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

31.12.2017 in thousands of euros	Southern Europe	Northern Europe	Americas	APAM	Total
MHA	421 824	490 891	79 330	103 171	1 095 217
CEP	13 803	32 547	162 793	34 886	244 029
S&S	87 019	78 494	50 923	35 286	251 722
TOTAL	**522 646**	**601 932**	**293 046**	**173 343**	**1 590 968**

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**

NOTE 5 *GOODWILL AND INTANGIBLE ASSETS*

NOTE 5.1. *CHANGE IN NET BOOK VALUE*

in thousands of euros	31.12.2016	Additions	Removals	Changes in scope	Other	Currency translation differences	Gross amount 31.12.2017
Goodwill	77 845					-9 894	67 951
Development costs	61 454	7 593			0	-2 591	66 457
Trademarks	30 358					-3 675	26 682
Other intangible fixed assets	77 334	6 561	-16		354	-4 327	79 905
TOTAL INTANGIBLE FIXED ASSETS	**169 146**	**14 153**	**-16**	**0**	**354**	**-10 593**	**173 044**

in thousands of euros	31.12.2016	Increases	Decreases	Changes in scope	Other	Currency translation differences	Depreciation and impairment 31.12.2017
Goodwill	-77 557					9 894	-67 663
Development costs	-36 839	-5 933				1 092	-41 680
Trademarks	-30 358					3 675	-26 682
Other intangible fixed assets	-67 855	-3 528	16		-325	4 104	-67 588
TOTAL INTANGIBLE FIXED ASSETS	**-135 051**	**-9 460**	**16**	**0**	**-325**	**8 871**	**-135 950**

in thousands of euros	31.12.2016	Net amount 31.12.2017
Goodwill	288	288
Development costs	24 615	24 777
Trademarks		
Other intangible fixed assets	9 479	12 317
TOTAL INTANGIBLE FIXED ASSETS	**34 094**	**37 094**

The main intangible investments in 2017 concerned development costs for €7.6m and information systems for €6.4m.

As a reminder, impairment losses on intangible assets excluding goodwill at 31 December 2017 were as follows:

in thousands of euros	31.12.2017
Development costs	-1 114
Trademarks	-26,682
Other intangible fixed assets	-25,916
TOTAL	-53,712

NOTE 5.2. BREAKDOWN OF NET GOODWILL AT THE END OF THE FINANCIAL YEAR

in thousands of euros	31.12.2016	Net amount 31.12.2017
Manitou Portugal SA	71	71
Manitou Italy (formerly OMCI)	174	174
Other	43	43
TOTAL	288	288

NOTE 5.3. IMPAIRMENT OF GOODWILL

The main criteria used when developing impairment tests are set out in Note 7.

NOTE 6 TANGIBLE ASSETS

in thousands of euros	31.12.2016	Additions	Disposals	Change in scope	Other	Currency translation differences	Gross amount 31.12.2017
Land	30 612	1 846	0	0	1 224	-614	33 068
Buildings	155 467	1 360	-183	550	855	-4,786	153 263
Plant, machinery and equipment	169 509	6 242	-5,678	2 943	10 156	-5,769	177 403
Other tangible assets	75 167	16 709	-1 744	18 597	-15,044	-2,898	90 787
Tangible fixed assets under production	2 994	6 365	0	0	-4,786	-292	4 281
TOTAL	433 749	32 522	-7,605	22 090	-7,595	-14,359	458 802

in thousands of euros	31.12.2016	Increases	Decreases	Changes in scope	Other	Currency translation differences	Depreciation and impairment 31.12.2017
Land	-7,494	-722	0	0	0	141	-8,075
Buildings	-87,073	-6,218	180	-256	3	1 945	-91,419
Plant, machinery and equipment	-141,576	-10 489	5 670	-2,237	-1	4 453	-144,180
Other tangible assets	-47,151	-6,483	1 516	-14,440	2 874	1 875	-61,811
Tangible fixed assets under production		0	0	0	0	0	0
TOTAL	-283,295	-23,912	7 366	-16 933	2 874	8 416	-305,485

in thousands of euros	31.12.2016	Net amount 31.12.2017
Land	23 118	24 993
Buildings	68 393	61 844
Plant, machinery and equipment	27 932	33 223
Other tangible assets	28 016	28 976
Tangible fixed assets under production	2 994	4 281
TOTAL	150 454	153 317

The investments made in 2017 stand at €32.5m versus €30.0m in 2016. They include €6.8m in land and infrastructure, €12.6m in industrial tools, €9.4m in rental fleet equipment and €3.7m in other projects.

NOTE 7 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At 31 December 2017, the Manitou group has no goodwill or other assets with an indeterminate useful life requiring annual impairment tests. Only the amortised assets, in particular the development costs, are subject to tests when there is evidence of impairment. Reviewing the indicators did not lead the group to record impairment for the 2017 financial year.

NOTE 8 ASSOCIATES

NOTE 8.1. CHANGE IN INVESTMENTS IN ASSOCIATES

in thousands of euros	31.12.2016	Share of net income	Dividends	Change in scope	Inc. Monetary	31.12.2017
Manitou Finance France SAS	12 389	1 157	-1 533	0	0	12 013
Manitou Finance Ltd.	10 522	1 677	-3 074	0	-352	8 773
Hangzhou Manitou Machinery Equipment	982	-387	0	0	-52	543
TOTAL	**23 893**	**2 447**	**-4,607**	**0**	**-404**	**21 329**

NOTE 8.2. SHARE OF EARNINGS AND EQUITY OF ASSOCIATES

	Income		Shareholders' equity*	
in thousands of euros	31.12.2016	31.12.2017	31.12.2016	31.12.2017
Manitou Finance France SAS	933	1 157	-182	-558
Manitou Finance Ltd.	2 075	1 677	5 649	3 901
Hangzhou Manitou Machinery Equipment	-527	-387	-270	-709
TOTAL	**2 482**	**2 447**	**5 197**	**2 634**

** Contribution of associates in the shareholders' equity of the group (share of shareholders' equity of the company accounted for using the equity method, net of the value of securities)*

NOTE 8.3. BREAKDOWN BY COMPANY OF THE SIGNIFICANT ITEMS

						31.12.2017
in thousands of euros	Activity	Net sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	3 805	2 362	153 667	24 518	49%
Manitou Finance Ltd.	Financing	6 357	3 422	134 583	17 905	49%
Hangzhou Manitou Machinery Equipment	Production	3 455	-775	2 283	1 085	50%

						31.12.2016
in thousands of euros	Activity	Net 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%

NOTE 9 FINANCIAL INSTRUMENTS

NOTE 9.1. RECONCILIATION OF BALANCE SHEET LINE ITEMS - ASSETS

in thousands of euros		Securities available for sale	Loans and receivables	Financial assets at fair value through income	31.12.2017 Balance sheet total
Non-current financial assets	Note 9.2	3 582	51	2 024	5 657
Current financial assets	Note 9.3		23	2 731	2 754
Cash and cash equivalents	Note 9.4			39 570	39 570
Sales financing receivables - non-current portion	Note 12		3 840		3 840
Other non-current assets			348		348
Trade receivables	Note 11		324 593		324 593
Sales financing receivables - current portion	Note 12		1 713		1 713
Other current receivables	Note 14		32 348		32 348
TOTAL		**3 582**	**362 916**	**44 325**	**410 823**

in thousands of euros		Securities available for sale	Loans and receivables	Financial assets at fair value through income	31.12.2016 Balance sheet total
Non-current financial assets	Note 9.2	3 840		3 760	7 599
Current financial assets	Note 9.3		24	3 865	3 888
Cash and cash equivalents	Note 9.4			53 602	53 602
Sales financing receivables - non-current portion	Note 12		2 784		2 784
Other non-current assets			359		359
Trade receivables	Note 11		279 263		279 263
Sales financing receivables - 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**

The financial assets are valued using internal valuation techniques (level 2) (see Note 1.14) with the exception of certain cash equivalents (Note 9.4) valued according to quoted market prices in an active market (level 1).

NOTE 9.2. NON-CURRENT FINANCIAL ASSETS

in thousands of euros	31.12.2016	Change	Fair value	Recycling	Currency translation differences	Changes in scope	Other.	31.12.2017
Securities available for sale:								
- Other securities	3 840	122	92	0	-472	0	0	3 582
Derivatives	0	0	0	0	0	0	0	0
Other non-current financial assets	3 760	-1 320	0	0	-364	0	0	2 075
TOTAL	**7 599**	**-1 198**	**92**	**0**	**-836**	**0**	**0**	**5 657**

NOTE 9.3. CURRENT FINANCIAL ASSETS

Marketable securities were valued at their fair value on the reporting date:

in thousands of euros	31.12.2016	Net amount 31.12.2017
Financial assets available for sale	3	3
Derivatives	3 173	1 945
Financial assets at fair value through income	2	2
Loans and advances	24	23
Miscellaneous	687	781
TOTAL	**3 888**	**2 754**

NOTE 9.4. CASH AND CASH EQUIVALENTS

in thousands of euros	31.12.2016	Net amount 31.12.2017
Cash and cash equivalents	51 432	35 657
Term deposits and others	2 076	3 913
Money-market funds (SICAV) & others	94	0
TOTAL	**53 602**	**39 570**

NOTE 9.5. RECONCILIATION OF BALANCE SHEET LINE ITEMS – LIABILITIES

The various categories of financial liabilities on the reporting date are as follows. They are set out in Note 9.6 below.

in thousands of euros		31.12.2016	31.12.2017
Non-current financial liabilities	Note 9.6	52 948	47 899
Other non-current liabilities		992	2 677
Current financial liabilities	Note 9.6	63 162	70 402
Accounts payable	Note 18	211 557	260 063
Other current liabilities	Note 18	101 235	118 402
TOTAL		**429 895**	**499 443**

The financial liabilities are valued using internal valuation techniques (level 2), see Note 1.14.

NOTE 9.6. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The valuation and accounting principles are set out in Note 1.13.

in thousands of euros		31.12.2016	31.12.2017 Current
Short-term financing and bank overdrafts		4 432	5 435
Bank loans		44 754	47 108
Financing lease liabilities		1 388	196
Liabilities related to receivables securitised with recourse	Note 12	0	0
Derivative liabilities - currency and interest rates		5 143	2 103
Bond issues		0	6 972
Other borrowings		6 541	8 118
TOTAL		**62 259**	**69 932**
Shareholder agreements and stock option plan liabilities (cash-settled)		903	470
TOTAL		**63 162**	**70 402**

in thousands of euros		31.12.2016	31.12.2017 Non-current	1 to 5 years	Over 5 years
Bank loans		5 986	6 569	3 519	3 050
Financing lease liabilities		2 893	141	141	0
Liabilities related to receivables securitised with recourse	Note 12	0	0	0	0
Liabilities related to interest rate derivatives		0	0	0	0
Bond issues		44 070	37 211	12 411	24 800
Other borrowings		-1	3 978	3 968	10
TOTAL		**52 948**	**47 899**	**20 038**	**27 861**
Shareholder agreements and stock option plan liabilities (cash-settled)		0	0	0	0
TOTAL		**52 948**	**47 899**	**20 038**	**27 861**

The group covers the majority of its financing needs through bank financing (medium-term loans or bank overdrafts). Nevertheless, in 2012 it began to diversify by issuing three bonds in 2012, 2013 and 2015, bringing the disintermediated debt to a total of €44m at 31 December 2017. In addition, the parent company's bank financing agreement had been renegotiated and extended in December 2016 for a period of five years, plus two possible one-year extensions.

NOTE 9.6.1. *CHARACTERISTICS OF THE MAIN BANK LOANS*

	31.12.2017				
in thousands of euros	Current	Non-current	Currency	Due date	Effective rate
Revolving	44 151		euros	variable	/
BPI (1)	461	2 565	euros	Q2/2021	2.82%
BPI (2)	767	1 796	euros	Q2/2024	4.41%
Other	1 138	2 201	AUD	Q4 2022	4.30%

	31.12.2016				
in thousands of euros	Current	Non-current	Currency	Due date	Effective rate
Revolving	44 102		euros	variable	-/
BPI (1)	32	2 992	euros	Q2/2021	2.82%
BPI (2)	21	2 994	euros	Q2/2024	4.41%

In December 2016, Manitou renegotiated and extended its financing put in place in 2013. The new multicurrency RCF (Revolving Credit Facility) stands at €180 million with a maturity of five years, plus a possible two-year extension.

This agreement includes clauses for ratios (covenants) of "material adverse change" and for "cross default", which may limit the potential use of or affect the terms of credit lines. It includes "negative pledge" clauses accompanied by thresholds and exemptions.

Facility	Signatories	Main contractual clauses H2 2016 to H1 2022
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

** definition in paragraph 7.7 of this document*

NOTE 9.6.2. *CHARACTERISTICS OF THE BANK LOANS*

	31.12.2017				
in thousands of euros	Current	Non-current	Currency	Due date	Effective rate
Bond issue 2012 - 2018	7 075	0	euros	Q4/2018	5.95%
Bond issue 2013 - 2019	20	12 411	euros	Q4/2019	5.35%
Bond issue 2015 - 2022	460	24 800	euros	Q2/2022	4.00%

The bonds will be repaid *in fine* respectively in the 4th quarter of 2018, the 4th quarter of 2019 and the 2nd quarter of 2022.

NOTE 9.6.3. *OUTSTANDING LIABILITY TO FINANCIAL INSTITUTIONS*

The portion of outstanding liability to financial institutions is broken down as follows:

	31.12.2016		31.12.2017	
in thousands of euros	Authorised outstanding liability	Outstanding liability used	Authorised outstanding liability	Outstanding liability used
Short-term financing and bank overdrafts	62 000	4 432	62 000	5 435
Financing lease liabilities	4 282	4 282	337	337
OTHER BANK LOANS				
- Amortisable term loans	6 000	5 986	5 589	5 589
- Revolving loan facilities	180 000	44 107	180 000	44 150

NOTE 9.6.4. *CASH/NON-CASH CHANGES IN FINANCIAL ITEMS*

		31.12.2016	Cash flow	"Non-cash" flow				31.12.2017
				Change in scope	Currency translation differences	Fair value	Others & Reclass	
Bank loans - current	A	44 754	-122	1 721	-63	0	818	47 108
Bank loans - non-current	B	5 986	-586	2 100	-112	0	-818	6 569
Financing lease liabilities - current	A	1 388	35	0	-66	0	-1 162	196
Financing lease liabilities - non-current	B	2 893	-24	0	-126	0	-2 603	141
Bond issues - non-current	B	44 070	0	0	0	0	-6 859	37 211
Bond issues - current	A		113	0	0	0	6 859	6 972
CHANGE IN FINANCIAL LIABILITIES		**99 092**	**-584**	**3 821**	**-367**	**0**	**-3 765**	**98 197**
Other loans - non-current	B	-1	1 221	59	58	0	2 640	3 978
Other loans - current	A	6 541	393	0	-869	0	2 053	8 118
Derivative liabilities - currency and interest rates - current	A	5 143	-240	0	0	-2 800	0	2 103
Derivative assets - currency and interest rates - current		-3 173	0	0	0	1 228	0	-1 945
Shareholder agreements and stock option plan liabilities (cash-settled) - current	A	903	-511	0	0	0	78	470
Shareholder agreements and stock option plan liabilities (cash-settled) - non-current	B	0	135	0	-134	0	0	0
CHANGE IN OTHER ITEMS		**9 414**	**999**	**59**	**-945**	**-1 572**	**4 771**	**12 725**
Reconciliation with current and non-current financial liabilities (Note 9.5)								
Short-term financing and bank overdrafts	A	4 432	1 003	0	0	0	0	5 435
TOTAL CURRENT FINANCIAL LIABILITIES	**A**	**63 162**	**672**	**1 721**	**-999**	**-2 800**	**8 646**	**70 402**
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**B**	**52 948**	**746**	**2 159**	**-314**	**0**	**-7 640**	**47 899**

NOTE 9.7. *DERIVATIVES*

In order to secure a maximum level of financial costs, the group has set up, in line with the new financing agreement, interest rate caps and swaps. These derivatives are described as future cash flow hedging instruments. They are considered highly effective at 31 December 2017.

The characteristics of the Caps and Swaps at 31 December 2017 are as follows:

CAP

in thousands of euros		Average rate of CAP	Notional	Fair value at 31.12.2017
Less than one year				0
1 to 2 years	Q4 2021	0.50%	25	0

SWAP

in thousands of euros		Average rate of SWAP	Notional	Fair value at 31.12.2017
Less than one year	Q3 2018	0.325%	25	0
1 to 2 years		0	0	0

At 31 December 2017, the group also holds forward sale contracts for currencies designed to cover future GBP, AUD, RUB and ZAR cash flows in euros for an amount of €130m. The group also holds forward purchase contracts for currencies designed to cover future USD and PLN cash flows into euros for an amount of €9.4m.

These hedges are considered effective within the meaning of IFRS. The change in fair value of these instruments is therefore recorded in the balance sheet liabilities for €2.1m, in the balance sheet assets for €1.9m with shareholders' equity as offset for €1.2m, with the valuation of forward points being recorded under financial income for -€0.8m and +€0.3m under operating income.

NOTE 9.8. ANALYSIS OF SENSITIVITY TO EXCHANGE RATE CHANGES

The sensitivity analysis was performed based on receivables, liabilities, net cash position and financial assets available for sale at 31 December 2017 for the main currencies used by the group as part of its operating activities.

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

31.12.2017 in thousands of euros								
Receivables and liabilities denominated in foreign currency Breakdown by functional currency	AUD/ euros +5%	GBP/ euros +5%	USD/ euros +5%	ZAR/ euros +5%	SGD/ euros +5%	RUB/ euros +5%	BRL/ euros +5%	INR/ euros +5%
EUROS								
Receivables (AUD, GBP, USD, ZAR, RUB, BRL)	745	1 572	537	514	0	260	202	9
Debts (AUD, GBP, USD)	0	-199	-181	0	0	0	-13	0
Net cash and cash equivalents (AUD, GBP, USD, SGD, RUB)	134	106	-23	5	117	0	8	0
SUB-TOTAL	**878**	**1 479**	**333**	**520**	**117**	**260**	**197**	**9**
AUD								
Receivables (euros)	-75							
Debts (euros)	31							
Cash and cash equivalents (euros)	19							
SUB-TOTAL	**-24**							
GBP								
Receivables (euros)		-191						
Debts (euros)		4						
Cash and cash equivalents (euros)		-118						
SUB-TOTAL		**-306**						
USD								
Receivables (euros)			-461					
Debts (euros)			171					
Cash and cash equivalents (euros)			-56					
SUB-TOTAL			**-346**					
ZAR								
Receivables (euros)				0				
Debts (euros)				7				
Cash and cash equivalents (euros)				0				
SUB-TOTAL				**7**				
SGD								
Receivables (euros)					-199			
Debts (euros)					175			
Cash and cash equivalents (euros)					-95			
SUB-TOTAL					**-119**			
RUB								
Receivables (euros)						-45		
Debts (euros)						86		
Cash and cash equivalents (euros)						0		
SUB-TOTAL						**41**		

31.12.2017 in thousands of euros								
BRL								
Receivables (euros)							0	
Debts (euros)							223	
Cash and cash equivalents (euros)							-321	
SUB-TOTAL							**-98**	
INR								
Receivables (euros)								0
Debts (euros)								1
Cash and cash equivalents (euros)								0
SUB-TOTAL								**1**
TOTAL	**855**	**1 173**	**-13**	**527**	**-2**	**301**	**99**	**10**

NOTE 9.9. FINANCIAL RISK MANAGEMENT

Information on financial risk management is developed in paragraph 3.1 of the management report.

NOTE 10 INVENTORIES

in thousands of euros	31.12.2016	Change in scope	Reclassification	Changes	Currency translation differences	Gross amount 31.12.2017
Raw materials	118 201	2 576	0	16 478	-4 954	132 301
Work in progress	31 899	504	-1	3 402	-564	35 241
Finished products	171 044	2 339	3 435	18 462	-6 206	189 074
Merchandise	109 089	2 849	1 223	6 657	-4 985	114 832
TOTAL	**430 232**	**8 269**	**4 657**	**44 999**	**-16 709**	**471 448**

in thousands of euros	31.12.2016	Change in scope	Reclassification	Changes	Currency translation differences	Provision 31.12.2017
Raw materials	-7 168	-216	788	850	251	-5 496
Work in progress	0	0	0	0	0	0
Finished products	-2 439	-197	-194	-885	125	-3 590
Merchandise	-11 211	-328	-589	619	548	-10 961
TOTAL	**-20 819**	**-741**	**5**	**583**	**924**	**-20 048**

in thousands of euros	31.12.2016	Change in scope	Reclassification	Changes	Currency translation differences	Net amount 31.12.2017
Raw materials	111 032	2 360	788	17 328	-4 704	126 805
Work in progress	31 899	504	-1	3 402	-564	35 241
Finished products	168 605	2 142	3 241	17 577	-6 080	185 484
Merchandise	97 877	2 521	634	7 275	-4 437	103 871
TOTAL	**409 413**	**7 528**	**4 662**	**45 582**	**-15 784**	**451 400**

The reclassifications mainly concern leased-out and capitalised equipment which is transferred to the inventory at the end of the lease to be sold as used equipment.

NOTE 11 TRADE RECEIVABLES

in thousands of euros		31.12.2016	Change in scope	Reclassification	Changes	Currency translation differences	31.12.2017
CURRENT							
Trade receivables - gross		287 027	6 464	210	52 007	-15 008	330 700
Trade receivables - impairment	Note 13	-7 764	-621	0	1 839	439	-6 107
Trade receivables - net		279 263	5 843	210	53 846	-14 568	324 593
NON-CURRENT							
Trade receivables - gross		0	0	0	0	0	0
Trade receivables - impairment	Note 13	0	0	0	0	0	0
Trade receivables - net		0	0	0	0	0	0
TOTAL		**279 263**	**5 843**	**210**	**53 846**	**-14 568**	**324 593**

The group generally uses credit insurance or factoring to protect its trade receivables. In certain cases, based on the group's knowledge of the customer, the amount due from a given customer may be higher than the amount covered.

In the American market and in accordance with sector practices, Manitou Americas has stock financing agreements, known as floor plans, with its distributors for periods of up to 24 months. Under these floor plans, the distributors must make payment for the machines as soon as they are sold to the end-customer and no later than on conclusion of the stock financing agreement. Distributors do not have any right to return the machines to inventories.

Past-due receivables are monitored on an individual basis. The impairment criteria are essentially assessed on a customer-by-customer basis according to the age of the receivables. Each entity performs this analysis according to the specific characteristics of its markets.

Amounts recorded in respect of the raising and reversal of impairment provisions on trade receivables are recorded in "Selling, marketing and service expenses".

Losses on trade receivables amounted to €2.2m for the 2017 financial year and were also recorded in the "Selling, marketing and service expenses" line item of the income statement. These losses are partially covered by a reversal of impairment.

NOTE 12 SALES FINANCING RECEIVABLES

Receivables related to financing granted to end customers are reported on this line item. These receivables concern either sales made via financing leases or, in the case of Manitou Americas, the financing of sales to end customers.

in thousands of euros		31.12.2016	Change in scope	Other	Changes	Currency translation differences	31.12.2017
GROSS							
Receivables on financing leases		4 077	0	0	1 542	-65	5 554
Receivables on financing granted to end customers		1 481	0	0	-583	-145	752
RECEIVABLES ON SALES FINANCING – GROSS		**5 558**	**0**	**0**	**959**	**-211**	**6 306**
IMPAIRMENT							
Receivables on financing leases	Note 13	0	0	0	0	0	0
Receivables on financing granted to end customers	Note 13	-1 442	0	0	547	143	-752
RECEIVABLES ON SALES FINANCING – IMPAIRMENT		**-1 442**	**0**	**0**	**547**	**143**	**-752**
NET							
Receivables on financing leases		4 077	0	0	1 542	-65	5 554
Receivables on financing granted to end customers		39	0	0	-36	-3	
RECEIVABLES ON SALES FINANCING – NET		**4 116**	**0**	**0**	**1 506**	**-68**	**5 554**
Of which							
Non-current portion		2 784	0	0	1 102	-46	3 840
Current portion		1 332	0	0	404	-22	1 713

Impairment is calculated based on historical statistical data for trade receivables not analysed in unitary terms.

The losses recorded over the 2017 financial year for sales financing receivables amounted to €0.5m, partially covered by reversals of impairment.

The schedule of non-current sales financing receivables is as follows:

in thousands of euros	31.12.2017	1 to 2 years	3 to 5 years	Over 5 years
Receivables on financing leases – Net	3 840	1 491	2 340	9
Receivables on financing granted to end customers – Net				
SALES FINANCING RECEIVABLES – NON-CURRENT PORTION	**3 840**	**1 491**	**2 340**	**9**

NOTE 13 FINANCIAL ASSETS – ANALYSIS OF OVERDUE RECEIVABLES AND IMPAIRMENT

NOTE 13.1. ANALYSIS OF OVERDUE RECEIVABLES AND ASSOCIATED IMPAIRMENT

in thousands of euros	Not due	Due <30 days	Due 31 - 90 days	Due 91 - 120 days	Due +120 days	31.12.2017 Total
Trade receivables	181 903	46 024	93 379	2 194	7 201	330 700
Trade receivables impairment	-115	-330	-2	-737	-4 922	-6,107
TRADE RECEIVABLES – NET	**181 788**	**45 694**	**93 377**	**1 457**	**2 279**	**324 593**
Receivables on financing granted to end customers					752	752
Impairment of receivables on financing granted to end customers					-752	-752
RECEIVABLES ON FINANCING GRANTED TO END CUSTOMERS – NET						
Receivables on financing leases	1 713					1 713
Impairment on receivables on financing leases						
RECEIVABLES ON FINANCING LEASES – NET	**1 713**					**1 713**
TOTAL	**183 501**	**45 694**	**93 377**	**1 457**	**2 279**	**326 307**

NOTE 13.2. CHANGES IN IMPAIRMENTS ON FINANCIAL ASSETS

in thousands of euros	31.12.2016	Increases	Reversal used	Reversal unused	Reclassifications & others	Currency translation differences	31.12.2017
Trade receivables impairment	-7 764	-1 552	2 266	1 125	0	439	-6 107
Impairment of receivables on financing granted to end customers	-1 442	0	497	50	0	143	-752
Of which							
Current	-1 442	0	497	50	0	143	-752
Non-current							

NOTE 14 OTHER CURRENT RECEIVABLES

in thousands of euros	31.12.2016	Change in scope	Other	Changes	Currency translation differences	31.12.2017
Tax and social security receivables	16 971	1 681	0	-2,488	-254	15 910
Other receivables	1 739	750	0	1 511	-88	3 912
Advances and payments on account in respect of orders	1 993	343	0	1 448	-193	3 591
Prepaid expenses	7 056	131	0	1 955	-207	8 935
TOTAL	**27 758**	**2 905**	**0**	**2 426**	**-742**	**32 348**

NOTE 15 SHAREHOLDERS' EQUITY

NOTE 15.1. SHARE CAPITAL

The share capital consists of 39,621,598 shares at 31 December 2017.

NOTE 15.2. DIVIDEND DISTRIBUTION PROPOSAL

The Board of Directors will propose a dividend payment of €0.62 per share to the Shareholders' Meeting called to approve the 2017 financial statements.

NOTE 15.3. TREASURY SHARES

Number of shares	Transactions as at 31.12.2016	% of capital	Transactions as at 31.12.2017	% of capital
HELD AT OPENING (SHARE REPURCHASE PROGRAMME)	**267 198**		**1 381 461**	
Shares purchased (buyback of Toyota holding)	1 120 000			
Shares sold	- 5 737			
Stock options exercised				
HELD AT CLOSING (SHARE REPURCHASE PROGRAMME)	**1 381 461**	**3.49%**	**1 381 461**	**3.49%**
Stock option coverage				
Liquidity contract	36 526		27 458	
TOTAL TREASURY SHARES HELD	**1 417 987**	**3.58%**	**1 408 919**	**3.56%**

The cost of the shares purchased, in addition to the proceeds from the shares sold, were recorded respectively as a reduction or increase in shareholders' equity.

Treasury shares do not have dividend rights.

NOTE 15.4. OPTIONS TO PURCHASE SHARES BY CERTAIN EMPLOYEES

No new plan has been granted for the 2017 financial year.

NOTE 15.4.1. CHARACTERISTICS OF THE EXISTING PLANS

The main characteristics of the plans for purchase of shares by certain employees and grants of free shares are as follows:

Stock options specifications	Type of plan	Date of maturity	Expiry date of the plan	Number of beneficiaries (original)	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 NUMBER OF OPTIONS GRANTED						**314 200**
Options delisted - cancelled						- 186 350
Options exercised						- 73 774
TOTAL NUMBER OF OPTIONS STILL VALID						**54 076**
TOTAL NUMBER OF SHARES HELD						**1 381 461**

NOTE 15.4.2. CHANGE IN THE NUMBER OF OPTIONS STILL VALID

in units	Options outstanding as at 31.12.2016	Options granted	Options exercised	Options delisted	Options outstanding as at 31.12.2017
Plan of 19.05.2010	122 025		- 64 149	- 3 800	54 076
TOTAL	**122 025**		**- 64 149**	**- 3 800**	**54 076**

NOTE 16 PROVISIONS

NOTE 16.1. BREAKDOWN OF PROVISIONS

in thousands of euros		31.12.2017	Of which, less than one year	Of which, more than one year
Warranty provisions		15 131	11 038	4 093
Provisions for other risks		5 818	2 237	3 581
SUBTOTAL		**20 949**	**13 275**	**7 674**
Provisions for employee benefits	Note 17	39 793	227	39 566
TOTAL		**60 742**	**13 502**	**47 240**

in thousands of euros		31.12.2016	Of which, less than one year	Of which, more than one year
Warranty provisions		19 440	14 933	4 507
Provisions for other risks		8 911	6 912	1 999
SUBTOTAL		**28 352**	**21 846**	**6 506**
Provisions for employee benefits	Note 17	46 485	219	46 266
TOTAL		**74 837**	**22 065**	**52 772**

NOTE 16.2. CHANGES IN PROVISIONS – EXCLUDING EMPLOYEE BENEFITS

in thousands of euros	31.12.2016	Increases	Provision reversed (used)	Provision reversed (unused)	Change in scope	Reclassification	Currency translation differences	31.12.2017
Warranty provisions	19 440	6 470	-4,306	-6,278	211	0	-407	15 131
Provisions for other risks	8 911	3 283	-5,031	-1 004	0	210	-551	5 818
TOTAL	**28 352**	**9 753**	**-9,337**	**-7,282**	**211**	**210**	**-958**	**20 949**

WARRANTY

Amounts recorded when creating or reversing provisions for warranties are included in "Cost of goods and services sold" within the income statement, as are the actual warranty expenses. This line also includes provisions established to cover equipment recall campaigns following supplier quality incidents.

OTHER RISKS

Other risks mainly concern commercial, employee or tax litigation. Provisions recorded correspond to the group's and its advisers' best estimates at the closing date of the risks incurred with respect to the litigation in process.

NOTE 17 EMPLOYEE BENEFITS

NOTE 17.1. DEFINITION

The defined benefit schemes 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 USA,
- 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 schemes are as follows:

UNITED STATES – PENSION PLAN B

- Description: a "qualified" post-employment benefits plan which was closed to new members as of 1 May 2005 and frozen in terms of the acquisition of rights for all participants as of 3 October 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 liabilities of 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 characterised 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.

NOTE 17.2. *VALUATION*

NOTE 17.2.1. *KEY ACTUARIAL ASSUMPTIONS USED*

				31.12.2017
	France	United Kingdom	Italy	United States of America
Salary trends	4.00%	n/a	n/a	5.00%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	1.80%	2.40%	1.80%	3.45%

				31.12.2016
	France	United Kingdom	Italy	United States of America
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%

A change of -0.5% in the discount rate would have the following impact on the actuarial debt (DBO) and the cost of an additional year (SC):

in thousands of euros	DBO	SC
Europe (incl. France)	2 223	202
United Kingdom	1 919	
United States of America	2 735	8
TOTAL	**6 877**	**210**

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 31 December 2017, the use of the RP-2017 mortality table published by the SOA (Society of Actuaries) in October 2017 to calculate commitments in the United States, generated an actuarial gain of €0.4m, reported in other comprehensive income as an amount of €0.3m 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 6.75% as at 31 December 2017. 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 2017 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.

NOTE 17.2.2. *BREAKDOWN OF PLAN ASSETS (as a %)*

The breakdown of plan assets as at 31 December 2017 was as follows:

31.12.2017	France	United Kingdom	United States of America
Shares	13%	10.43%	50.10%
Bonds	78%	14.89%	18.72%
Other	9%	74.68%	31.18%
TOTAL	**100.00%**	**100.00%**	**100.00%**

31.12.2016	France	United Kingdom	United States of America
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%**

NOTE 17.2.3. *RECONCILIATION OF BALANCE SHEET LINE ITEMS*

The provision is broken down by country as follows:

in thousands of euros (31.12.2017)	France Retirement Indemnities	France Other	United Kingdom	United States of America	Other	Total
Current value of the obligation	23 571	1 073	16 205	53 249	1 902	96 000
Fair value of the financial assets	4 516		16 014	35 678		56 208
(Provisions) net assets recognised in the balance sheet	-19 055	-1 073	-191	-17 571	-1 902	-39 792
				Of which:	Provision	-39 792
					Assets	0

in thousands of euros (31.12.2016)	France Retirement Indemnities	France Other	United Kingdom	United States of America	Other	Total
Current value of the obligation	21 940	1 024	19 349	60 679	959	103 950
Fair value of the financial assets	5 176		15 512	36 777	0	57 465
(Provisions) net assets recognised in the balance sheet	-16 764	-1 024	-3 836	-23 902	-959	-46 485
				Of which:	Provision	-46 485
					Assets	0

NOTE 17.2.4. CHANGE IN COMMITMENTS AND PLAN ASSETS DURING THE YEAR

in thousands of euros	France	United Kingdom	United States of America	Other	31.12.2017 Total
COMMITMENT					
BEGINNING OF PERIOD	**22 964**	**19 349**	**60 679**	**959**	**103 950**
Service costs	1 702		67		1 769
Discounting	440	488	2 107	34	3 069
Benefits paid	-864	-509	-4 382	-38	-5 793
Actuarial differences recognised in income statement					0
Liquidation/reduction and other					0
Past service costs					0
Additions to the scope of consolidation				942	942
Actuarial losses (gains) – experience and demographic assumptions	76	-3 664	-757		-4 345
Actuarial losses (gains) – financial assumptions	326	955	2 252	4	3 537
Other costs		235	623		858
Exchange rate adjustment		-648	-7 338		-7 986
END OF PERIOD	**24 644**	**16 206**	**53 251**	**1 901**	**96 001**
PLAN ASSETS					
BEGINNING OF PERIOD	**5 176**	**15 512**	**36 777**	**0**	**57 465**
Employer contributions		570	3 083		3 653
Benefits paid	-769	-509	-4 223		-5 501
Expected return on assets	90	395	1 285		1 770
Difference - Expected return/actual return on assets	19	601	3 414		4 034
Additions to the scope of consolidation					
Liquidations					
Other					
Exchange rate adjustment		-555	-4 658		-5 213
END OF PERIOD	**4 516**	**16 014**	**35 678**	**0**	**56 208**
RECONCILIATION OF THE PROVISION					
BEGINNING OF PERIOD	**-17 788**	**-3 836**	**-23 902**	**-959**	**-46 485**
Expense for the year	-2 052	-328	-1 512	-34	-3 926
Employer contribution		570	3 083		3 653
Benefits paid	95		159	38	292
SORIE	-383	3 310	1 919	-4	4 842
Additions to the scope of consolidation				-942	-942
Other					
Exchange rate adjustment		93	2 680		2 773
END OF PERIOD	**-20 128**	**-191**	**-17 573**	**-1 901**	**-39 793**

in thousands of euros	France	United Kingdom	United States of America	Other	31.12.2016 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 recognised in income statement					0
Liquidation/reduction					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		275	635		910
Exchange rate adjustment		-2 655	1 902		-753
END OF PERIOD	**22 964**	**19 349**	**60 679**	**959**	**103 950**
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**

NOTE 17.2.5. BREAKDOWN OF EXPENSE FOR THE PERIOD

IAS 19 (Revised) in thousands of euros	France	United Kingdom	United States of America	Other	31.12.2017 Total
Adjustments to methodology					
Service costs	1 702	0	67	0	1 769
Discounting	440	488	2 107	34	3 069
Expected return on assets	-90	-395	-1 285	0	-1 770
Losses/gains recognised	0				
Administrative expenses		235	623	0	858
NET EXPENSE	**2 052**	**328**	**1 512**	**34**	**3 926**

IAS 19 (Revised) in thousands of euros	France	United Kingdom	United States of America	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 recognised					0
Administrative expenses		275	635		910
NET EXPENSE	**1 910**	**252**	**1 713**	**37**	**3 912**

NOTE 18 OTHER CURRENT LIABILITIES

in thousands of euros	31.12.2016	Reclassifications	Changes	Currency translation differences	31.12.2017
SUPPLIER ACCOUNTS PAYABLE AND RELATED	**211 557**	**5 530**	**45 812**	**-2,836**	**260 063**
Tax and social security liabilities	62 634	1 469	9 758	-1 066	72 795
Other operating liabilities	24 411	6 170	7 765	-4,192	34 154
Deferred revenues	14 190	0	-1 374	-1 364	11 452
OTHER LIABILITIES	**101 235**	**7 639**	**16 149**	**-6 622**	**118 402**
TOTAL CURRENT LIABILITIES	**312 792**	**13 169**	**61 961**	**-9 458**	**378 465**

NOTE 19 TAXES

NOTE 19.1. CHANGE IN BALANCE SHEET POSITION

in thousands of euros	31.12.2016	Change in scope	Result	Payment	Currency translation differences	Other*	31.12.2017
CURRENT TAXES							
Assets	4 260						7 384
Liabilities	2 563						4 304
TOTAL	**1 697**	**110**	**-28,306**	**29 594**	**-15**		**3 080**
DEFERRED TAXES							
Assets	20 712						16 722
Liabilities	447						768
TOTAL	**20 265**	**0**	**1 046**		**-1 068**	**-4 289**	**15 954**

** Other changes in current and deferred taxes can be broken down as follows:*

in thousands of euros	2016	2017
Deferred taxes recorded as consolidated reserves – SORIE	227	-3 780
Deferred taxes recorded as consolidated reserves – Interest rate hedging instrument	241	-404
Carry back receivable transferred		
Other	-138	-105
TOTAL	**330**	**-4 289**

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, and then to 25% in 2021. As a result of the tax reform adopted in the United States in 2017, the subsidiary's deferred taxes include the reduction in the federal tax rate, which decreases from 35% to 21% as of 2018.

NOTE 19.2. INCOME TAXES RECORDED IN THE INCOME STATEMENT

in thousands of euros	2016	2017
CURRENT TAXES	**-18 784**	**-28 306**
DEFERRED TAXES FOR THE PERIOD	**-2 412**	**652**
Change in deferred tax rate	56	1 414
Impairment losses (-) and capitalisation of unrecognised losses (+)	257	-1 020
TOTAL DEFERRED TAXES	**-2 099**	**1 046**
TOTAL	**-20 883**	**-27 260**

The tax expense recognised 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.

NOTE 19.3. RECONCILIATION OF THE FRENCH STATUTORY TAX RATE AND THE EFFECTIVE TAX RATE APPLIED TO CONSOLIDATED INCOME

in thousands of euros	2016	2017
Income before taxes on fully consolidated companies	61 503	85 033
Statutory tax rate in France	34.43%	34.43%
THEORETICAL TAX EXPENSE FOR THE FINANCIAL YEAR	**-21 176**	**-29 277**
Other taxes	-2 598	-4 075
Impairment of assets		
Permanent differences	1 375	1 599
Increase/decrease in tax rates (current and deferred)	-56	1 414
Tax loss carryforwards capitalised (uncapitalised tax loss carryforwards)	-257	-1 020
Differences in foreign tax rates and other	1 828	4 098
TOTAL - INCOME TAXES	**-20 883**	**-27 260**

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	2017
Manitou Italia	1 848
Manitou UK	554
Manitou Vostock	213
Manitou Portugal	171
Other countries	342
TOTAL	**3 128**

NOTE 19.4. BASIS FOR DEFERRED TAXES

Recognised deferred taxes arise from the following temporary differences:

In thousands of euros – Assets/(Liabilities)	Temporary differences as at 31.12.2016	Deferred taxes as at 31.12.2016	Temporary differences as at 31.12.2017	Deferred taxes as at 31.12.2017
Intangible assets	-115	-38	-122	-36
Tangible assets	-30 057	-9 772	-29 531	-6 995
Financing leases	-11 300	-2 148	-10 809	-2 031
Employee benefits	44 191	13 855	36 333	8 569
Provisions	35 588	11 928	26 791	6 835
Inventories & receivables	4 436	648	4 754	2 993
Miscellaneous	11 123	2 688	11 535	2 137
SUBTOTAL	**53 866**	**17 161**	**38 949**	**11 472**
Tax credits		0		0
Tax loss carryforwards		3 104		4 482*
TOTAL		**20 265**		**15 954**

** of which Manitou Americas (€4.4m)*

NOTE 20 BREAKDOWN OF SALES BY TYPE, DIVISION AND REGION

NOTE 20.1. SALES BY TYPE AND DIVISION

in thousands of euros	Sales of goods	Sales of services	31.12.2017
MHA – Material Handling and Access	1 095 217		1 095 217
CEP – Compact Equipment Products	244 029		244 029
S&S – Services & Solutions	222 733	28 989	251 722
TOTAL	**1 561 979**	**28 989**	**1 590 968**

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**

NOTE 20.2. SALES BY REGION

in thousands of euros	Sales of goods	Sales of services	31.12.2017
Southern Europe	507 599	15 047	522 646
Northern Europe	598 665	3 267	601 932
Americas	291 409	1 637	293 046
APAM	164 305	9 038	173 343
TOTAL	**1 561 979**	**28 989**	**1 590 968**

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**

The group's customer base is very diverse, with the largest customer representing no more than 2% of total sales.

NOTE 21 OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

in thousands of euros	31.12.2016	31.12.2017
Staff costs associated with restructuring	-520	-669
Negative goodwill (see Note 32)		829
Net provisions for risks and contingencies	-12	
Other non-recurring income and expenses	-453	-5 126
TOTAL	**-985**	**-4 966**

In 2016, this line item mainly included restructuring costs. In 2017, other non-recurring income and expenses primarily comprise costs related to the acquisitions of subsidiaries for the period, in addition to legal costs relating to an ongoing patent dispute.

NOTE 22 STATUTORY AUDITORS' FEES

	DELOITTE & ASSOCIÉS				RSM Ouest & members of the RSM International network				Other				Total	
	Amount		%		Amount		%		Amount		%		Amount	
in thousands of euros	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
AUDIT														
Statutory audits, certification of individual and consolidated financial statements														
Issuer	178	193	30%	33%	178	193	55%	56%					356	386
Fully consolidated subsidiaries	423	399	70%	67%	146	150	45%	44%		30		100%	569	579
Services other than certification of financial statements														
Issuer														
Fully consolidated subsidiaries														
SUBTOTAL	**601**	**592**	**100%**	**100%**	**324**	**343**	**100%**	**100%**		**30**		**100%**	**925**	**965**
Other services rendered by the networks for fully consolidated subsidiaries														
TOTAL	**601**	**592**	**100%**	**100%**	**324**	**343**	**100%**	**100%**		**30**		**100%**	**925**	**965**

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 30 December 2008.

NOTE 23 EXPENSES FROM RECURRING OPERATIONS BY TYPE

in thousands of euros	31.12.2016	31.12.2017
Material purchases	-875 501	-1 062 798
Direct and indirect labour	-131 286	-153 937
Depreciation, amortisation and impairment	-24 243	-27 541
Other	-83 884	-87 971
COST OF GOODS AND SERVICES SOLD	**-1 114 915**	**-1 332 246**
External expenses	-55 000	-59 872
Personnel expenses	-89 273	-97 892
Net depreciation/amortisation expenses (non-production)	-5 246	-5 831
Other	3 550	317
OTHER EXPENSES FROM RECURRING OPERATIONS	**-145 969**	**-163 277**
EXPENSES FROM RECURRING OPERATIONS BY TYPE	**-1 260 884**	**-1 495 524**

NOTE 24 BREAKDOWN OF RECURRING AND NON-RECURRING PERSONNEL EXPENSES

in thousands of euros	31.12.2016	31.12.2017
Salaries, bonuses and indemnities	-134 125	-153 665
Profit-sharing	-10 414	-10 783
Employee benefits	-5 856	-5 805
Social charges and payroll taxes	-54 142	-52 965
Personnel expenses excluding temporary employees and rebilling	-204 538	-223 218
Temporary employees & other	-17 017	-28 602
TOTAL	**-221 554**	**-251 819**

NOTE 25 OTHER OPERATING INCOME AND EXPENSES

in thousands of euros	31.12.2016	31.12.2017
Disposal of assets	105	133
Other income	1 176	1 321
Other expenses	-1 860	-967
Net increase in provisions	1 341	1 432
TOTAL	**763**	**1 920**

Other operating income and expenses include product litigation, insurance reimbursements and income related to real estate rentals.

NOTE 26 FINANCIAL RESULT

in thousands of euros	31.12.2016	31.12.2017
Income from investments	2 073	2 085
Interest rate swaps		43
Fair value adjustment		
Exchange gains	19 768	14 424
Other financial income	36	4
TOTAL FINANCIAL INCOME	**21 878**	**16 556**
Interest expenses on bank loans and lines of credit	-6 996	-4 596
Interest rate swaps	-261	-558
Exchange losses	-20 178	-14 865
Other financial expenses	-2 603	-1 983
TOTAL FINANCIAL EXPENSES	**-30 039**	**-22 001**
FINANCIAL RESULT	**-8 161**	**-5 446**

Financial income/expenses for the period improved due to the favourable trends in exchange rates and the reduction in interest rate charges due to the group's financing arrangement put in place at the end of 2016.

NOTE 27 RESEARCH AND DEVELOPMENT COSTS

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 2017, these expenses amounted to €20.8m, compared to €18.3m in 2016.

NOTE 28 OFF-BALANCE SHEET COMMITMENTS

NOTE 28.1. COMMITMENTS GIVEN

in thousands of euros	31.12.2016	31.12.2017
Sureties, deposits and collateral	2 463	8 129
Financial commitments (including forward sales)	65 644	130 004
Equipment repurchase commitments*	1 958	2 360
Other commitments given	30	57
TOTAL	**70 095**	**140 457**

**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 28.2. COMMITMENTS RECEIVED

in thousands of euros	31.12.2016	31.12.2017
Financial commitments (including forward purchases)	0	9 412
TOTAL	**0**	**9 412**

NOTE 29 INFORMATION ON RISK MANAGEMENT

The Manitou group's risk management policy is set out in the paragraph of the Management Report entitled "Information on risk management".

NOTE 30 HEADCOUNT AT 31 DECEMBER

	2016	2017
Manitou BF SA	1 817	1 961
Manitou Global Services	24	23
CFM - Ile de France	41	47
LMH Solutions	37	36
Manitou Italia Srl.	260	261
Manitou Portugal SA	34	36
Manitou Manutencion Espana SL	17	17
SOUTHERN EUROPE	**2 230**	**2,381**
Manitou UK Ltd.	41	43
Manitou Benelux SA	21	23
MILE	7	7
Manitou Deutschland GmbH	34	36
Manitou Vostok	27	29
Manitou Polska	14	13
Manitou Nordics	5	6
NORTHERN EUROPE	**149**	**157**
Manitou Americas	714	828
Manitou Brasil	16	20
AMERICAS	**730**	**848**
Manitou Southern Africa Pty Ltd.	88	99
Manitou Australia Pty Ltd.	16	18
Manitou Asia Pte Ltd.	41	46
Manitou China	21	21
Manitou South Asia	16	18
Manitou Middle East	3	3
Manitou Malaysia MH	7	9
Manitou Equipment India	0	253
Marpoll Pty Ltd (LiftRite Hire and Sales)	0	47
APAM	**192**	**514**
GROUP TOTAL	**3 301**	**3 900**

NOTE 31 RELATED PARTY TRANSACTIONS

NOTE 31.1. TRANSACTIONS WITH GROUP COMPANIES CONSOLIDATED USING THE EQUITY METHOD

in thousands of euros		31.12.2016		31.12.2017
	Expenses	Income	Expenses	Income
Manitou Finance France SAS	1 335	1 201	1 208	2,265
Manitou Finance Ltd	1 361	91 138	1 236	109 361
Algomat		1 202		
Hangzhou Manitou Machinery Equipment Co Ltd	11	42		64

NOTE 31.2. TRANSACTIONS WITH INDIVIDUALS

in thousands of euros			2016			2017
	Interest for 2016	Balance at 31 December 2016	Purchase price 2016	Interest for 2017	Balance at 31 December 2017	Purchase price 2017
CURRENT ACCOUNTS WITH ASSOCIATES:						
Mr Marcel Braud	122	6 074		100	6 061	
Ms Jacqueline Himsworth	3	234		4	272	
PURCHASES OF SHARE INVESTMENTS:						
Not applicable						

NOTE 31.3. EXECUTIVE COMPENSATION AND OTHER BENEFITS

Total amount of compensation and benefits in kind paid to executives:

in thousands of euros							2017
	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions and commitments
Non-executive corporate officers	159	470					
Executive corporate officers		811					445
Executive Committee members who are not corporate officers	2 284						802

in thousands of euros							2016
	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions and commitments
Non-executive corporate officers	144	441					
Executive corporate officers		733					444
Executive Committee members who are not corporate officers	2 145						2 810

NOTE 32 BUSINESS COMBINATIONS

NOTE 32.1. CHANGE IN SCOPE OF CONSOLIDATION

In May 2017, the group finalised the purchase of Terex Equipment Private Limited, now renamed Manitou Equipment India, based in Greater Noïda, India. This company is wholly owned and consolidated according to the full consolidation method. On 24 July 2017, Manitou took a majority stake in the Australian company Marpoll Pty Ltd (LiftRite Hire & Sales), based in Perth. LiftRite is a dealer specialising in the construction and mining sector, and the historic and exclusive distributor of Manitou and Gehl brand products in Western Australia. The transaction allowed the Manitou group to acquire 55% of the shares in LiftRite Hire & Sales, with an additional purchase option giving it the possibility of holding a 96% stake in 3 years' time.

NOTE 32.2. IMPACT OF ACQUISITIONS AND DISPOSALS ON GROUP CASH FLOW

in thousands of euros	Manitou Equipment India	Marpoll (LiftRite)	31 December 2017
Cost of acquisitions	-3 022	-2 242	-5 265
Cash and cash equivalents of subsidiaries acquired	-1 395	-3 359	-4 754
Change in debt on acquisition of shares	0	0	0
ACQUISITION OF SUBSIDIARIES NET OF CASH FLOW ACQUIRED	**-1 627**	**1 117**	**-511**
DISPOSAL OF SUBSIDIARIES NET OF CASH FLOW TRANSFERRED	**0**	**0**	**0**
IMPACT OF ACQUISITIONS AND DISPOSALS ON GROUP CASH FLOW	**-1 627**	**1 117**	**-511**

NOTE 32.3. BREAKDOWN OF FAIR VALUE OF ASSETS NET OF SHAREHOLDINGS ACQUIRED

Impact of acquisitions on other balance sheet items

in thousands of euros	Manitou Equipment India	Marpoll (LiftRite)	31 December 2017
Net cash flow of companies acquired	1 395	3 359	4 754
Intangible assets	846	4 311	5,157
Other non-current assets	80	0	80
Working capital requirement	2 777	449	3226
Pension provisions	-926	0	-926
Other current and non-current provisions	-369	0	-369
Financial debt	-90	-3,789	-3,880
TOTAL	**3 712**	**4 329**	**8 041**
MINORITY INTERESTS	**0**	**-1 948**	**-1 948**
FAIR VALUE OF ASSETS NET OF ADDITIONAL SHAREHOLDINGS	**3 712**	**2 381**	**6 093**

NOTE 32.4. GOODWILL AND NET ASSETS RELATED TO ACQUISITIONS

	Manitou Equipment India	Marpoll (LiftRite)	31.12.2017
Cost of acquisitions (in cash)	3 022	2 242	5 265
Fair value of assets net of shareholdings acquired	3 712	2 381	6 093
GOODWILL	**-690**	**-139**	**-829**

As at 31 December 2017, the goodwill related to Manitou Equipment India and Marpoll (LiftRite) is negative.

It was recognised in full in the income statement as non-recurring income, respectively for €690 thousand and €139 thousand.

NOTE 32.5. IMPACT OF ACQUISITIONS ON THE INCOME STATEMENT

in thousands of euros	31 December 2017	31 December 2017 Like-for-like	Difference
Net sales	1 590 968	1 566 250	24 718
Recurring operating income	95 444	95 643	-199
% sales	6.0%	6.1%	

The inclusion of Manitou Equipment India and Marpoll (LiftRite) has an impact of €24.7m on the group's consolidated sales at the current exchange rate.

NOTE 33 LIST OF SUBSIDIARIES AND AFFILIATES

Parent company	
Manitou BF SA	Ancenis, France

Integrated companies		Consolidation method	% control	% interest
Manitou Americas Inc.	West Bend, Wisconsin, 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	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, Italy	FC	100%	100%
Manitou UK Ltd.	Verwood, United Kingdom	FC	99.4%	99.4%
Manitou Benelux SA	Perwez, Belgium	FC	100%	100%
Manitou Interface and Logistics Europe	Perwez, Belgium	FC	100%	100%
Manitou Deutschland GmbH	Ober Mörlen, Germany	FC	100%	100%
Manitou Portugal SA	Villa Franca, Portugal	FC	100%	100%
Manitou Manutencion Espana 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	94%	94%
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 Equipment India	Greater Noïda, India	FC	100%	100%
Marpoll Pty Ltd (LiftRite Hire & Sales)	Perth, Australia	FC	55%	55%
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*

NOTE 34 POST-CLOSING EVENTS

None

6.2. STATUTORY AUDITORS' REPORT ON THE 2017 CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of MANITOU BF

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of MANITOU BF for the year ended 31 December 2017.

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 2017 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS OF OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st January 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

PROVISIONS FOR WARRANTIES AND CAMPAIGNS

(See Notes 1.18 and 16.2 to the consolidated financial statements)

KEY AUDIT MATTER

The group records provisions for warranties and campaigns to cover the estimated warranty costs of machines and spare parts, and the costs of retrofitting sold equipment and the fleet of machines in the event of major or hazardous malfunctions. These provisions, totalling €15.1 million as at 31 December 2017, are recorded for warranties when machines are sold to networks or end customers, and for recall campaigns when a malfunction is detected. The warranty provision amount covers the contractual provision and its possible extension and is determined using historical statistical data projections. The campaign provision amount is determined using the unit cost of retrofitting the stock of machines and an estimate of the number of machines involved.

We considered the valuation of these provisions to be a key audit matter in the consolidated financial statements due to their importance in understanding the financial statements, the complexity of their calculation components and their sensitivity to the assumptions adopted by management

RESPONSE AS PART OF OUR AUDIT

We familiarized ourselves with the provision valuation process.

We tested the key controls set up by management that we consider as most relevant to determine the costs underlying this valuation, and particularly those relating to the various rates used in the estimates (supplier usage rate, margin rate by product family).

Our work also consisted of:
- assessing the relevance of the group's methodology,
- assessing the validity of the assumptions used to determine the warranty provisions,
- reviewing the calculations on a test basis,
- assessing the judgements made by management and the appropriateness of the disclosures in Notes 1.18 and 16.2 to the consolidated financial statements,
- comparing the accounting estimates of prior periods with the corresponding actual figures.

MAJOR LITIGATION - JCB

(See Notes 2 and 21 to the consolidated financial statements)

KEY AUDIT MATTER

In May and June 2017, three Group entities were sued by J.C. Bamford Excavators Limited for patent infringement, as mentioned in Note 2 to the consolidated financial statements: Manitou BF at the High Court of Paris, Manitou BF and Manitou UK Limited at the London High Court of Justice –Patent Court and Manitou Italy at the Court of Genoa. The claims amounted to €20 million in terms of provisions for the non-pecuniary and commercial losses allegedly caused by Manitou BF and £10 million at the UK court. The financial claims for Italy were not specified.

The main proceedings are ongoing, and the timetable for certain hearings has yet to be determined. Furthermore, after consultation with its lawyers, the Manitou group considers that the claims are unjustified, and a financial estimate of the risk actually incurred cannot be determined given the evidence at its disposal and the progress of the proceedings. In light of this, no provision was set aside in the consolidated financial statements for these claims. However, the group recorded the estimated future legal costs of the three aforementioned lawsuits in its 2017 consolidated financial statements.

We considered this issue to be a key audit matter given its potential weight on the group's consolidated financial statements and insofar as significant judgment is required at the year-end regarding the uncertain outcome of this litigation in order to estimate the actual risk incurred.

RESPONSE AS PART OF OUR AUDIT

As part of our audit of the consolidated financial statements, our work primarily consisted in:
- examining the procedures implemented by the group to estimate the risk surrounding this litigation;
- familiarising ourselves with the group's risk analysis, the corresponding documentation and the written consultations of external advisors;
- analysing the exchanges with lawyers and examining the documents relating to the ongoing legal proceedings;
- assessing the reasonableness of the assumptions used by management to estimate the provision for legal costs;
- verifying the appropriateness of the disclosures relating to this litigation in the notes to the consolidated financial statements.

ACCOUNTING TREATMENT OF THE 2017 ACQUISITIONS

(See Notes 3 and 32 to the consolidated financial statements)

KEY AUDIT MATTER

In connection with its development, the group conducted targeted external growth transactions in India (Terex – MEI) and Australia (Liftrite), as described in Note 3 to the consolidated financial statements.

With regard to these acquisitions, the group opted to recognise the following in other non-current operating income and expenses:

- The difference between the price paid and the fair value of the acquired assets and liabilities, i.e. negative goodwill for both companies in the amount of €0.8 million,
- The costs arising from the acquisition and consolidation of these two companies in the amount of €1.2 million.

The first-time consolidation of these two companies is considered to be a key audit matter in light of the materiality of the acquisitions and the judgements that Management was required to exercise to identify the acquired assets and liabilities and assess their fair value.

RESPONSE AS PART OF OUR AUDIT

We analysed the compliance of the Company's methodology with prevailing accounting standards.

We also performed a critical analysis of the methods used to implement this methodology and verified:

- the calculation of the price paid to acquire the securities of each entity, based on the legal documents used in the acquisition,
- the justification of the adjustments made to opening net equity, by requesting, for the Indian company in particular, an audit of the opening balance sheet by the local auditor,
- the goodwill calculation,
- the justification of the costs arising from the consolidation and acquisition,
- the appropriateness of the disclosures relating to these acquisitions in the consolidated financial statements.

VERIFICATION OF THE INFORMATION PERTAINING TO THE GROUP PRESENTED IN THE MANAGEMENT REPORT

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the statutory auditors

We were appointed as statutory auditors of MANITOU BF by the annual general meeting held on 28 June 2013.

As at 31 December 2017, Deloitte & Associés and RSM Ouest were in their 28th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Orvault and Saint-Herblain, 3 April 2018

The statutory auditors

RSM Ouest	Deloitte & Associés
Jean-Michel PICAUD	Emmanuel GADRET

6.3. PARENT COMPANY FINANCIAL STATEMENTS

6.3.1. INCOME STATEMENT

in thousands of euros	Notes	31.12.2016	31.12.2017
OPERATING INCOME (1):			
Sales of merchandise		294 879	354 597
Production sold (goods)		647 518	799 503
Production sold (services)		8 207	10 695
Net sales	Note 18	950 604	1 164 795
Inventoried and capitalised production		42 079	11 651
Reversals of provisions and amortisation, expense transfers	Note 19	18 114	17 811
Other income (1)		856	4 057
TOTAL		**1 011 653**	**1 198 314**
OPERATING EXPENSES (2):			
Purchases and changes in inventories		694 959	842 636
Other purchases and external expenses		119 767	138 029
Taxes and related		10 309	11 228
Salaries and social security charges		115 297	124 640
Amortisation and impairment		24 845	28 317
Net increase in provisions		6 567	3 369
Other expenses (2)		1 239	4 361
TOTAL		**972 983**	**1 152 580**
OPERATING PROFIT		**38 670**	**45 734**
Financial income (3)		54 039	38 089
Financial expenses (4)		37 134	34 119
FINANCIAL RESULT	**NOTE 20**	**16 905**	**3 970**
RECURRING INCOME BEFORE TAXES		**55 575**	**49 704**
Non-recurring income		8 501	3 359
Non-recurring expenses		2 672	1 472
NON-RECURRING INCOME/EXPENSES	**NOTE 21**	**5 829**	**1 887**
Employee profit-sharing			384
Income taxes	Note 22	7 062	13 167
NET INCOME		**54 342**	**38 040**
(1) Of which income related to exchange gains on commercial operations (see Note 1-2)			3 075
(2) Of which expenses related to exchange losses on commercial operations (see Note 1-2)			3 294
(3) Of which income related to associates		14 235	16 456
(4) Of which expenses related to associates		940	1 240

6.3.2. CASH FLOW STATEMENT

	in thousands of euros	31.12.2016	31.12.2017
NET INCOME		**54 342**	**38 040**
Elimination of income and expenses with no effect on operating cash flow and not linked to operating activities			
+	Amortisation, depreciation and provisions *	17 975	27 558
-	Reversals of amortisation and provisions *	-13 611	- 2 441
-	Proceeds from disposals of assets	-361	-346
+	Net book value of asset disposals	163	132
-	Investment subsidies included in income	-13	-11
+/-	Other non-cash income and expenses	0	0
EARNINGS BEFORE DEPRECIATION AND AMORTISATION		**58 495**	**62 932**
Changes in cash flows from operating receivables			
+/-	Changes in inventories	-21 666	-20 363
+/-	Changes in accounts receivable	581	-86 355
+/-	Changes in other operating receivables	-11 859	20 958
+/-	Changes in accounts payable	23 345	39 220
+/-	Changes in other operating liabilities	18 191	22 912
CASH FLOW FROM OPERATING ACTIVITIES		**67 087**	**39 304**
Changes in cash flows from investing activities			
+	Disposals of intangible and tangible assets	228	346
+	Sales of financial assets	133	0
-	Purchases of intangible and tangible assets	-23 809	-24 110
-	Purchases of financial assets	-3 894	-19 395
+/-	Changes in supplier payables on assets	1 897	-3 582
+/-	Cash flow related to mergers	0	0
CASH FLOW FROM INVESTING ACTIVITIES		**-25 445**	**-46 741**
Changes in cash flow from financing activities			
+	Capital increase	72	844
-	Capital reduction	0	0
+	Carryback receivable transferred	0	0
-	Dividends paid	-14 132	-16 430
+	Increases in borrowings	45 644	20 640
-	Repayments of borrowings	-61 583	-21 094
+/-	Changes in subscribed capital called but not paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES		**-29 999**	**-16 040**
	Cash and cash equivalents – opening balance	53 518	65 161
	Cash and cash equivalents – closing balance	65 161	41 684
CHANGE IN CASH AND CASH EQUIVALENTS		**11 643**	**- 23 477**

** Excluding current assets*

6.3.3. BALANCE SHEET

ASSETS in thousands of euros	Notes	31.12.2016 Net amount	31.12.2017 Gross amount	31.12.2017 Amortisation and impairment	31.12.2017 Net amount
FIXED ASSETS					
INTANGIBLE ASSETS (1)	Note 2	17 708	79 381	59 041	20 340
TANGIBLE ASSETS	Note 3	57 844	238 270	177 015	61 255
FINANCIAL ASSETS (2)	Note 4	375 400	396 530	10 397	386 133
		450 952	**714 181**	**246 453**	**467 728**
CURRENT ASSETS					
INVENTORIES & WORK IN PROGRESS	Note 6	207 516	237 070	9 191	227 879
PREPAYMENTS AND ADVANCES TO SUPPLIERS		40	125		125
RECEIVABLES FROM OPERATIONS (3)	Note 7	232 264	296 284	323	295 961
CASH AND MARKETABLE SECURITIES	Note 9	69 582	47 189		47 189
ACCRUALS	Note 15	3 532	3 688		3 688
		512 934	**584 356**	**9 514**	**574 842**
CURRENCY TRANSLATION DIFFERENCES ON ASSETS	Note 16	3 779	6 287		6 287
TOTAL ASSETS		**967 665**	**1 304 824**	**255 967**	**1 048 857**
(1) Of which leasehold rights		0			0
(2) Of which less than one year		2 018			4 021
(3) Of which more than one year		0			0

LIABILITIES in thousands of euros	Notes	31.12.2016 Net amount	31.12.2017 Net amount
SHAREHOLDERS' EQUITY	**NOTE 10**		
Share capital	Note 10	39 558	39 621
Issue, merger and acquisition premiums, etc.		43 770	44 550
Revaluation differences	Note 17	908	908
Retained earnings and reserves		382 899	420 812
Income for the period		54 342	38 040
Investment subsidies		86	75
Regulated provisions		10 653	9 174
		532 216	**553 180**
PROVISIONS FOR RISKS AND CONTINGENCIES	Note 11	31 190	35 120
DEBT (1)			
FINANCIAL DEBTS (2)	Note 12	159 068	181 730
DEBT RELATED TO OPERATING ACTIVITIES	Note 12		
Supplier accounts payable and related		162 440	201 660
Tax and social security liabilities		42 779	47 658
Other operating liabilities		23 914	15 532
OTHER DEBT	Note 12	4 858	1 838
ACCRUALS	Note 15	6 105	8 325
		399 165	**456 743**
Currency translation differences on liabilities	Note 16	5 094	3 814
TOTAL LIABILITIES		**967 665**	**1 048 857**
(1) Of which more than one year		53 421	45 732
Of which less than one year		345 744	411 011
(2) Of which outstanding bank overdrafts and credit balances		4 421	5 505
(3) Of which equity loans		0	0
(4) Of which change in equity method valuation		0	0

6.3.4. NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF is a French Public Limited Company (*société anonyme*) with a Board of Directors with capital of €39,621,598 consisting of 39,621,598 shares with a par value of €1 per share.

The company's registered office, 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 number: 857 802 508 RCS Nantes - SIRET (business registration) No.: 857 802 508 00047 - APE (principal activity code): 292 D - NAF (business sub-sector ID) No.: 2822Z.

FINANCIAL INFORMATION RELATED TO THE APPROVAL OF THE FINANCIAL STATEMENTS

Manitou BF's financial statements were approved by the Board of Directors on 6 March 2018.

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 €1,048,857 thousand.

The income statement reports:
- total income of €1,239,762 thousand,
- total expenses of €1,201,722 thousand,
- income of +€38,040 thousand.

The period began on 1 January 2017 and ended on 31 December 2017, spanning 12 months.

The Notes (or tables) below are an integral part of the annual financial statements.

HIGHLIGHTS OF THE PERIOD

LITIGATION

In May 2017, action was taken against the Manitou BF by J.C. BAMFORD Excavators Limited (JCB) for infringing two European patents regarding certain features related to the control system of the overload cut-off of certain telehandlers marketed in the European Union.

Financially, the claimant is seeking preliminary damages (subject to further evaluation) of €20 million before the French court. The legal proceedings are ongoing.

The legal proceedings continued in the second half of the year. However, no significant event occurred during that period.

In terms of the progress of the proceedings, the financial risk liable to be incurred is difficult to estimate. Moreover, payouts in respect of these claims seem to be unlikely in view of the evidence put forward by Manitou to defend itself. As a result, no provision in respect of these claims has been recognised in the company's financial statements.

SHARE INVESTMENTS

TEREX

On 8 May 2017, Manitou BF purchased 100% of the shares of Terex Equipment Private Limited (TEPL) in India. Created in 2003, TEPL is specialised in the design, manufacture and distribution of construction equipment, primarily backhoe loaders and skid-steers. In 2016, TEPL generated sales of €30m essentially in the Indian sub-continent. The company's new name following its consolidation is Manitou Equipment India (MEI).

LIFTRITE (MARPOLL)

On 24 July 2017, Manitou BF took a majority stake in the Australian company Marpoll Pty Ltd (LiftRite Hire & Sales), based in Perth. LiftRite is a dealer specialising in the construction and mining sector, and the historic and exclusive distributor of Manitou and Gehl brand products in Western Australia.The transaction allowed the Manitou group to acquire 55% of the shares in LiftRite Hire & Sales, with an additional purchase option giving it the possibility of holding a 96% stake in 3 years' time. The company generated sales of €12m in 2016.

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

As of 1 January 2017, Manitou BF applies prospectively French accounting authority (ANC) Regulation No. 2015-05 relating to financial instruments and hedging transactions.

This new regulation provides for the recognition of exchange losses and gains related to commercial operations in operating income, and for the revaluation of hedging instruments at year-end. The application of this new regulation results in the recognition of exchange gains and losses in other operating income and expenses which were previously recognised in financial income.

This change has no significant impact on the company's net income.

NOTE 1.3. FIXED ASSETS

NOTE 1.3.1. DEVELOPMENT COSTS

In compliance with Article 212-3-2 of ANC Regulation No. 2014-03, the development costs incurred by the company in 2017 relating to clearly defined projects likely to be completed and marketed profitably were capitalised, as the capitalisation 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.

NOTE 1.3.2. 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 for user training are recognised as expenses.

NOTE 1.3.3. DEPRECIATION OF FIXED ASSETS

In accordance with ANC Regulation No. 2014-03, the accounting methods relating to tangible and intangible assets (excluding development costs) are as follows:

- the depreciable amount is the difference between the cost of the asset and its residual value, considered to be zero for all depreciable assets,
- the depreciation periods have been adjusted to the estimated useful lives of 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 moulds: 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 costs, special amortisation allowances are recognised as of the date the asset is capitalised, as provided by law.

NOTE 1.3.4. 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 3 January 1985 and Article 11 of the Decree of 17 February 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 capitalised. In accordance with the applicable tax laws, such acquisition costs are amortised 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 cancelled, 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 recognised in the income statement under "Salaries and social security 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

NOTE 1.6.1. 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 labour at actual cost).

NOTE 1.6.2. 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 recognised 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 authorised by ANC Recommendation 2013-02 of 7 November 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 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 €3.3 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. Unrealised exchange losses that are not hedged are subject to a provision for risk.

NOTE 1.13. FINANCIAL FORWARD INSTRUMENTS AND HEDGING TRANSACTIONS

In accordance with ANC Regulation No. 2015-05 on financial instruments, the exchange losses and gains related to commercial operations were recognised in operating income and the hedging instruments at year-end were revalued.

The effects of hedging instruments are recognised in the income statement in the same manner as those of the hedged item.

The impairment or provision for contingencies relating to a hedged item takes the effect of the hedge into account.

Changes in fair value of the instruments are not recognised in the balance sheet, unless this ensures symmetrical treatment with the hedged risk and for the non-derivative foreign exchange products (receivables, liabilities etc.) translated at year-end.

The company documents the relationship between the hedging instrument and the hedged instrument, in addition to is hedging policy.

The company endeavours to minimise the exchange risk by performing exchange hedges on the largest cash flows for their net amount of their exposure to currencies, after recognition of purchases in foreign currency.

NOTE 2 INTANGIBLE ASSETS

in thousands of euros	31.12.2016	Purchases	Transfers between line items	Disposals	Gross amounts 31.12.2017
Research and development costs	28 678		5 101		33 779
Concessions, patents and licences	34 170	1 345	1 247	14	36 748
Goodwill	1 708				1 708
Other intangible fixed assets	0				0
Intangible assets in process	6 777	6 717	- 6 348		7 146
Prepayments and advances	0				0
TOTAL	**71 333**	**8 062**	**0**	**14**	**79 381**

in thousands of euros	31.12.2016	Increases	Other decreases	Amortisation and depreciation 31.12.2017
Research and development costs	22 467	3 045		25 512
Concessions, patents and licences	29 594	2 385	14	31 965
Goodwill	1 564			1 564
Other intangible fixed assets	0			0
Intangible assets in process	0			0
Prepayments and advances	0			0
TOTAL	**53 625**	**5 430**	**14**	**59 041**

in thousands of euros	31.12.2016	Net amounts 31.12.2017
Research and development costs	6 211	8 267
Concessions, patents and licences	4 576	4 783
Goodwill	144	144
Other intangible fixed assets	0	0
Intangible assets in process	6 777	7 146
Prepayments and advances	0	0
TOTAL	**17 708**	**20 340**

NOTE 2.1. RESEARCH AND DEVELOPMENT COSTS

Development costs amounted to €33,134 thousand at 31 December 2016, split between projects in process (€4,455 thousand) and completed projects (€28,679 thousand).

Development costs, incurred directly by the company and capitalised in 2017 amounted to €2,375 thousand, making a total of €35,509 thousand in capitalised expenses at 31 December 2017. This amount was split between projects in process (€1,729 thousand) and completed projects (€33,780 thousand). All research costs and the costs of studies and development other than those described above were expensed in 2017 for an amount of €8,504 thousand, as compared to €5,593 thousand in 2016.

NOTE 3 TANGIBLE ASSETS

in thousands of euros	31.12.2016	Purchases	Transfers between line items	Disposals	Gross amounts 31.12.2017
Land	13 793	751	845		15 389
Buildings	42 430	62	340		42 832
Installations, improvements and fixtures	38 791	915	478	159	40 025
Technical installations and industrial equipment	113 049	5 483	7 761	5 966	120 327
Other tangible assets	16 106	1 854	25	1 078	16 907
Tangible fixed assets under production	5 258	6 983	-9,449		2 792
TOTAL	**229 427**	**16 048**	**0**	**7 203**	**238 272**

in thousands of euros	31.12.2016	Increases	Other decreases	Amortisation and depreciation 31.12.2017
Land	6 000	510		6 510
Buildings	27 285	1 882		29 167
Installations, improvements and fixtures	27 052	1 984	159	28 877
Technical installations and industrial equipment	97 122	6 839	5 836	98 125
Other tangible assets	14 124	1 288	1 076	14 336
TOTAL	**171 583**	**12 503**	**7 071**	**177 015**

in thousands of euros	31.12.2016	Net amounts 31.12.2017
Land	7 793	8 879
Buildings	15 145	13 665
Installations, improvements and fixtures	11 739	11 148
Technical installations and industrial equipment	15 927	22 202
Other tangible assets	1 982	2 571
Tangible fixed assets under production	5 258	2 792
TOTAL	**57 844**	**61 257**

Investments in 2017 mainly related to land and building improvements on the different production sites for €4,476 thousand, a machining centre, two welding robots and two boring machines for €2,816 thousand, tooling for €7,234 thousand (including €2,432 thousand for the development of new machinery), and IT and office equipment for €1,521 thousand.

NOTE 4 FINANCIAL ASSETS

in thousands of euros	31.12.2016	Revaluation	Purchases	Transfers between line items	Decreases	Gross amounts 31.12.2017
Share investments	18 930					18 930
Receivables linked to share investments (1)	4 939		6 072		1 614	9 397
Investments valued using the equity method (2)	352 075		14 624		0	366 699
Loans	19		15		20	14
Other financial assets	1 172		318		0	1 490
TOTAL	**377 135**	**0**	**21 029**		**1 634**	**396 530**

(1) On 12 June 2017, Manitou BF granted a loan to its South-African subsidiary for an amount of ZAR 85,000,000 (€5,913 thousand) which is repayable over 4 years.

(2) Information on investments in affiliates (changes in 2017)

Companies	31.12.2016	Acquisitions in 2017	Transfers between line items	Disposals	31.12.2017
Manitou Global Services (formerly CFM).	1 716				1716
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	511			869
Manitou Hangzhou Material Handling	5 705				5 705
Manitou Manutencion Espana	200				200
Manitou Vostok	5 010				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	4 070	2 500			6 570
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
Manitou Equipment India		9 030			9 030
Marpoll Pty Ltd (LiftRite Hire & Sales)		2 583			2 583
TOTAL	**352 075**	**14 624**			**366 699**

As part of its industrial development, Manitou BF acquired a new company, Manitou Equipment India based in Greater Noida.

In order to further its commercial development in Australia, Manitou BF acquired a 55% stake in LiftRite based in Perth.

In addition, Manitou BF subscribed to the capital increases of the Manitou Brasil and Manitou Equipment India subsidiaries.

The company also acquired the 8% stake held by minority shareholders in its Manitou Australia subsidiary thereby increasing its stake to 94% of the capital compared with 86% previously.

in thousands of euros	31.12.2016	Increases	Reversals	Impairment 31.12.2017
Investments valued using the equity method *	1 735	8 640	0	10 375
Other investments	0	0	0	0
Other financial assets	0	22	0	22
TOTAL	**1 735**	**8 662**	**0**	**10 397**

** 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 €8,640 thousand was recorded for 2017, taking the total amount of the provision as at 31 December 2017 to €10,375 thousand.*

NOTE 5 INVESTMENTS VALUED USING THE EQUITY METHOD (IN THOUSANDS OF EUROS)

	31.12.2016				31.12.2017			
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	12 360	10 644	100.00%	1 716	13 643	11 927
Manitou UK	99.42%	598	5 862	5 264	99.42%	598	10 001	9 403
Manitou Italia	100.00%	34 460	74 754	40 294	100.00%	34 460	85 718	51 258
Manitou Benelux	99.99%	713	3 934	3 221	99.99%	713	5 048	4 335
Manitou Asia	100.00%	1 310	8 118	6 808	100.00%	1 310	7 132	5 822
Manitou Portugal	100.00%	2 963	7 724	4 761	100.00%	2 963	5 802	2 839
Manitou Deutschland	100.00%	8 712	3 332	- 5 380	100.00%	8 712	3 416	- 5 296
Manitou Southern Africa	100.00%	2 219	15 713	13 494	100.00%	2 219	15 542	13 323
Manitou Australia	86.00%	358	6 465	6 107	94.00%	869	7 764	6 895
Manitou Hangzhou Material Handling	100.00%	5 705	2 338	- 3 367	100.00%	5 705	2 185	- 3 520
Manitou Manutencion Espana	100.00%	200	910	710	100.00%	200	1 713	1 513
Manitou Vostok	100.00%	5 010	5 037	27	100.00%	5 010	5 789	779
Manitou Polska	100.00%	53	301	248	100.00%	53	317	264
Manitou Americas	100.00%	278 973	197 832	-81,141	100.00%	278 973	175 967	- 103 006
Manitou Interface and Logistics Europe	99.00%	495	1 103	608	99.00%	495	1 468	973
Manitou South Asia	100.00%	637	1 057	420	100.00%	637	1 198	561
Manitou Brasil Manipulacao de Cargas	99.96%	4 070	412	- 3 658	99.96%	6 570	- 350	- 6 920
Manitou Nordics	100.00%	244	336	92	100.00%	244	356	112
Manitou Middle East	100.00%	211	293	82	100.00%	211	239	28
Manitou Malaysia	100.00%	400	328	-72	100.00%	400	286	- 114
Manitou Chile	100.00%	20	21	1	100.00%	20	1	- 19
LMH Solutions	100.00%	3 000	2 100	- 900	100.00%	3 000	2 131	- 869
Manitou Developpement	100.00%	10	10	0	100.00%	10	10	0
Manitou Equipment India				0	100.00%	9 030	8 635	- 395
Marpoll Pty Ltd (LiftRite Hire & Sales)				0	55.00%	2 583	2 314	- 269
TOTAL		**352 075**	**350 340**	**- 1 735**		**366 699**	**356 325**	**-10 375**

NOTE 6 INVENTORIES

	31.12.2016			31.12.2017		
in thousands of euros	Gross value	Impairment	Net	Gross value	Impairment	Net
Raw materials	61 417	1 766	59 651	68 576	1 892	66 684
Work in process	20 529		20 529	20 408		20 408
Finished products	79 889	1 304	78 585	83 761	1 115	82 646
Merchandise	57 608	8 857	48 751	64 325	6 184	58 141
TOTAL	**219 443**	**11 927**	**207 516**	**237 070**	**9 191**	**227 879**

NOTE 7 RECEIVABLES FROM OPERATIONS

in thousands of euros	31.12.2016	Changes in 2017	Gross amounts 31.12.2017	31.12.2016	Changes in 2017	Provisions 31.12.2017
Trade accounts and other receivables	165 547	86 287	251 834	392	- 69	323
Other receivables	21 876	- 11 959	9 917	0		0
Misc. receivables	45 191	- 10 658	34 533	0		0
Subscribed capital called but not paid	42	- 42	0	0		0
TOTAL	**232 656**	**63 628**	**296 284**	**392**	**- 69**	**323**

in thousands of euros	31.12.2016	Net amounts 31.12.2017
Trade accounts and other receivables (1)	165 155	251 511
Other receivables	21 876	9 917
Misc. receivables	45 191	34 533
Subscribed capital called but not paid	42	0
TOTAL	**232 264**	**295 961**
(1) Including bills of exchange	291	4

NOTE 8 BREAKDOWN OF RECEIVABLES

in thousands of euros	Gross value	Less than 1 year	1 to 5 years	Over 5 years
ON FIXED ASSETS				
Receivables linked to share investments (1)	9 397	2 544	6 667	186
Loans	14	14		
Other financial assets	1 486	1 486		
ON CURRENT ASSETS				
Doubtful or disputed accounts receivable	126	126		
Other accounts receivable	251 708	251 708		
Employee and related accounts	3	3		
Social Security and other social organisations	77	77		
Income tax	7 108	7 108		
Value-added tax	7 743	7 743		
Miscellaneous	21	21		
Group and associates	27 014	27 014		
Misc. debtors	2 484	2 484		
Prepaid expenses	3 688	3 688		
TOTAL	**310 869**	**304 016**	**6 667**	**186**
(1) Loans granted during the period	6 072			
(1) Loans repaid during the period	1 614			

NOTE 9 CASH AND MARKETABLE SECURITIES

Marketable securities were valued at their market price on 31 December.

Money market funds (SICAV) were subject to a "bought-sold" on that date and the interest accrued on other investments was recorded at the end of the financial year.

in thousands of euros	2016	2017
Money market funds (SICAV) (valued at the market price on 31.12.2017, purchase price on that date)	95	0
Shares of listed company	0	0
Provision for impairment of shares	0	0
Treasury shares *	23 445	23 445
Provision for impairment of treasury shares *	0	0
TOTAL MARKETABLE SECURITIES	**23 540**	**23 445**
Cash and cash equivalents	46 042	23 744
TOTAL MARKETABLE SECURITIES & CASH AT BANK	**69 582**	**47 189**

** Treasury shares*

As at 31 December 2017, 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.

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
31.12.2016	**39 558**	**43 770**	**908**	**3 955**	**315 338**	**63 605**	**54 342**	**10 740**	**532 216**
Capital increase	64	780							844
2016 income				7		54 335	-54,342		0
Dividends						- 16 430			-16 430
2017 income							38 040		38 040
Impact of changes in the value of associates (equity method)									0
Change in investment subsidies								- 11	- 11
Change in price increase allowance									0
Change in special depreciation allowances for the year								-1 479	-1 479
31.12.2017	**39 622**	**44 550**	**908**	**3 962**	**315 338**	**101 510**	**38 040**	**9 250**	**553 180**

NOTE 10.2. BREAKDOWN OF SHARE CAPITAL

	Nominal value	Number	Amount
Composition of capital at the start of the year	€1.00	39 557 449	€39,557,449
Capital increase	€1.00		
Share subscription options	€1.00	64 149	€64,149
CAPITAL AS AT 31.12.2017	**€1.00**	**39 621 598**	**€39,621,598**

NOTE 11 PROVISIONS

in thousands of euros	31.12.2016	Increases Increases	Reversals Used	Unused	31.12.2017
REGULATED PROVISIONS					
Provision for price increases	0				
Special depreciation allowances	10 653	962	2 441		9 174
Other regulated provisions	0				
TOTAL	**10 653**	**962**	**2 441**	**0**	**9 174**
PROVISIONS FOR RISKS AND CONTINGENCIES					
Litigation (1)	1 589	2 920	622	543	3 344
Customer warranties (2)	8 765	4 673	3 652	2 261	7 525
Exchange losses	3 778	4 827	3 778		4 827
Pensions and related liabilities (3)	978	88		40	1 026
Other provisions for risks & contingencies	0	0	0		0
Provisions for retirement benefit plan commitments (5)	16 079	2 318			18 397
TOTAL	**31 190**	**14 826**	**8 052**	**2 844**	**35 120**
PROVISIONS FOR IMPAIRMENT					
Tangible assets	1				1
Share investments	1 735	8 640			10 375
Inventories and work in process	11 927	3 089	5 807	18	9 191
Accounts receivable	392	280	137	212	323
Other (4)	22	22	22	0	22
TOTAL	**14 077**	**12 031**	**5 966**	**230**	**19 912**
TOTAL PROVISIONS	**55 919**	**27 819**	**16 459**	**3 074**	**64 205**
Of which increases and reversals:		Increases		Reversals	
- operating		13 752		13 292	
- financial		13 083		3 800	
- extraordinary		984		2 441	

(1) LITIGATION: The allocation for the period comprises, in particular, a provision created to cover the costs of legal proceedings in the context of a patent dispute.

(2) 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.

(3) PENSIONS AND RELATED LIABILITIES: This line item corresponds to the amount of the provision for long-service awards.

(4) OTHER: Impairment of treasury shares (see Note 9).

(5) PROVISIONS FOR RETIREMENT BENEFIT PLAN COMMITMENTS: Provisions for 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:

		31.12.2016	31.12.2017
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		3.90%	4.00%
Discount rate		1.80%	1.80%
Rate of return on plan assets		1.80%	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 recognised in full in income.

Provisions for retirement indemnities changed as follows:

in thousands of euros	31.12.2016	31.12.2017
Commitment at end of period	21 088	22 743
Plan assets at end of period	5 009	4 346
Financial situation	- 16 079	- 18 397
Cost of prior services (change in collective bargaining agreement 08/2010)	0	0
(Provision)/amount prepaid	- 16 079	- 18 397

The impact on income recorded in the financial statements in 2016 and 2017 can be broken down as follows:

in thousands of euros	31.12.2016	31.12.2017
Service costs	1 383	1 534
Cost of discounting	457	405
Expected return on plan assets	-121	- 87
Reduction	0	0
Past service costs	0	0
SUBTOTAL	**1 719**	**1 852**
Acquisition transfer	0	0
Actuarial gain/loss calculated	801	466
TOTAL	**2 520**	**2 318**

NOTE 12 BREAKDOWN OF DEBT

in thousands of euros	Gross value 31.12.2017	Less than 1 year	1 to 5 years	Over 5 years
Bank loans and debt (1)	101 194	59 323	41 014	857
Loans and other financial liabilities	6 333	6 333		
Supplier accounts payable and related	201 660	201 660		
Employee and related accounts	26 002	26 002		
Social Security and other social organisations	18 833	18 833		
Income tax	0	0		
Value-added tax	142	142		
Other taxes	2 682	2 682		
Debts on fixed assets and related accounts	983	983		
Group and associates	74 203	74 203		
Other liabilities	16 386	16 386		
Deferred revenues	8 325	4 464	3 861	
TOTAL	**456 743**	**411 011**	**44 875**	**857**
(1) Loans taken out during the period	20 640			
(1) Loans repaid during the period	21 094			

NOTE 13 ITEMS RELATED TO AFFILIATES

in thousands of euros	31.12.2016	31.12.2017
Investments valued using the equity method (1)	352 065	366 699
Receivables from affiliates	4 939	9 397
Other investments	18 940	18 930
Accounts receivable and related	81 389	135 869
Other receivables	47 747	27 851
Supplier accounts payable and related	32 822	35 764
Debt on fixed assets	0	0
Other liabilities	70 482	77 050
Financial expenses	940	1 240
Income from equity investments	11 585	14 162
Other financial income	2 649	2 294
(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	31.12.2016	31.12.2017
Receivables from affiliates	47	159
Other financial assets	0	0
Accounts receivable and related	3 820	31 597
Other receivables	7 329	2 335
Cash and cash equivalents	2	0

NOTE 14.2. ACCRUED EXPENSES

in thousands of euros	31.12.2016	31.12.2017
Bank loans and debt	651	653
Other loans and financial liabilities	0	0
Supplier accounts payable and related	30 419	38 989
Tax and social security liabilities	37 047	40 898
Debts on fixed assets and related accounts	2 263	583
Other liabilities	23 494	8 652

NOTE 15 PREPAID INCOME AND EXPENSES

		31.12.2017
in thousands of euros	Expenses	Income
Operating expenses/income	3 688	8 325
Financial expenses/income	0	0
Non-recurring expenses/income	0	0
TOTAL	**3 688**	**8 325**

NOTE 16 TRANSLATION DIFFERENCES ON FOREIGN CURRENCY PAYABLES AND RECEIVABLES

		31.12.2017
in thousands of euros	Asset differences (1)	Liability differences
Loans and financial liabilities	5 332	2 798
Accounts receivable	937	906
Accounts payable	18	110
TOTAL	**6 287**	**3 814**

(1) Offset by a risk provision of €4,827 thousand.

NOTE 17 REVALUATION DIFFERENCES

in thousands of euros	31.12.2016	31.12.2017
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	2016	2017
A - BREAKDOWN BY BUSINESS ACTIVITY		
Production (Société Manitou BF)	653 414	807 561
Spare parts trading	138 744	141 002
Equipment trading	158 446	216 232
TOTAL	**950 604**	**1 164 795**
B - BREAKDOWN BY MARKET REGION		
France	286 890	344 003
Export	663 714	820 792
TOTAL	**950 604**	**1 164 795**

NOTE 19 REVERSALS OF PROVISIONS AND TRANSFERS OF EXPENSES

	2016	2017
in thousands of euros	Income	Income
Reversal of provision for risks	6 396	7 118
Reversal of impairment on tangible assets	0	0
Reversal of provision for impairment of current assets	7 026	6 174
Transfer of operating expenses *	4 692	4 519
TOTAL	**18 114**	**17 811**

** The transfer of expenses item mainly consists of rebilling from central services to the Manitou Italia subsidiary for €1,764 thousand and to the Manitou Americas subsidiary for €517 thousand, as well as the rebilling of various expenses.*

NOTE 20 FINANCIAL RESULT

NOTE 20.1. FINANCIAL INCOME

in thousands of euros	2016 Income	2017 Income
Income from securities	11 590	14 162
Exchange gains	29 018	20 984
Reversal of impairment provision on securities (1)	10 733	22
Other income	2 698	2 921
TOTAL	**54 039**	**38 089**

NOTE 20.2. FINANCIAL EXPENSES

in thousands of euros	2016 Expenses	2017 Expenses
Loan interest	3 144	2 491
Exchange losses	31 888	20 647
Increases in impairment on securities (1)	0	8 640
Other expenses	2 100	2 341
TOTAL	**37 132**	**34 119**

(1) The use of the equity method for equity investments resulted in an increase for impairment of securities of €8,640 thousand, increasing the provision at 31 December 2017 from €1,735 thousand to €10,375 thousand.

As a reminder, 2016 had given rise to a provision reversal of €10,475 thousand.

NOTE 21 NON-RECURRING INCOME/EXPENSES

NOTE 21.1. NON-RECURRING INCOME

in thousands of euros	2016 Income	2017 Income
Income from the disposal of tangible assets	228	346
Income from the disposal of financial assets	133	0
Reversals of special depreciation allowances	3 136	2 441
Reversal of provision for risks	4 791	0
Miscellaneous	213	572
TOTAL	**8 501**	**3 359**

NOTE 21.2. NON-RECURRING EXPENSES

in thousands of euros	2016 Expenses	2017 Expenses
Net expenses on disposals of tangible assets	89	132
Net expenses on disposals of financial assets	74	0
Special depreciation allowances and extraordinary depreciation	1 758	985
Miscellaneous	751	355
TOTAL	**2 672**	**1 472**

NOTE 22 TAX

NOTE 22.1. BREAKDOWN OF INCOME TAX

in thousands of euros	Income before tax	Income taxes	Income after tax
Recurring income	49 704	14 101	35 603
Non-recurring income/expenses	1 887	665	1 222
Share investment	- 384		- 384
Non-recurring contribution of dividend distributed 2017 (1)		493	- 493
Accrued income (1)		- 1 407	1 407
Non-recurring contribution of 15% tax (2)		2 148	- 2 148
Tax credits (3)		- 2 583	2 583
Income from taxes from tax consolidation (4)		- 250	250
Net income	51 207	13 167	38 040

(1) Due to the decisions of the French constitutional council (*conseil constitutionnel*) of 30 September 2016 and 6 October 2017 declaring the 3% contribution of dividend distributed contrary to the constitution, Manitou BF filed a claim for a refund of all contributions paid in 2015, 2016 and 2017 for a total amount of €1,407 thousand including default interest.

(2) Manitou BF paid the outstanding contribution to tax at the rate of 15%.

(3) Tax credits for research and apprenticeships.

(4) Tax income from the Manitou Global Services subsidiary.

NOTE 22.2. RESEARCH TAX CREDIT

The research tax credit amount recognised for 2017 was €2,578 thousand.

NOTE 22.3. INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

		2017
in thousands of euros	Basis	Amount
NATURE OF TEMPORARY DIFFERENCES		
INCREASES		
Regulated provisions at 31.12.2017	9 174	
Other tax differences		
Total	9 174	
INCREASES IN FUTURE TAX LIABILITIES		**3 160**
REDUCTIONS		
Provisions non-deductible in the year of recognition	8 065	
TOTAL	**8 065**	
REDUCTIONS IN FUTURE TAX LIABILITIES		**2 778**

NOTE 22.4. IMPACT OF TAX DIFFERENCES

in thousands of euros	31.12.2017
INCOME FOR THE PERIOD	**38 040**
Share investment	384
Income tax	13 167
INCOME BEFORE TAX	**51 591**
Change in regulated provisions	- 1 479
Other tax differences	
INCOME BEFORE TAX EXCLUDING THE IMPACT OF TAX DIFFERENCES	**50 112**

NOTE 23 LEASES

There were no real estate leases outstanding as at 31 December 2017.

NOTE 24 OFF-BALANCE SHEET COMMITMENTS

NOTE 24.1. COMMITMENTS GIVEN

in thousands of euros	31.12.2017
Discounted notes outstanding	0
Sureties, deposits and collateral	6 907
Mortgages	0
Shareholder agreements	499
Forward sales of foreign currency	130 004
Currency CAP	25 000
Rate swaps	25 000
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 24.2. COMMITMENTS RECEIVED

in thousands of euros	31.12.2017
Forward purchases of foreign currency	9 412

NOTE 25 AVERAGE HEADCOUNT

salaried staff	2016	2017
Managers	406	428
Supervisors and technicians	48	55
Employees	454	490
Manual workers	886	925
TOTAL	**1,794**	**1 898**

NOTE 26 INFORMATION ON EXECUTIVE COMPENSATION

Total amount of compensation and benefits in kind paid to corporate officers during 2017:

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	159	470				
Executive corporate officers		811				445

NOTE 27 INFORMATION ON 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 consolidated financial statements, complies with the provisions introduced by Decree No. 2008-1487 of 30 December 2008.

NOTE 28 POST-CLOSING EVENTS

None

LIST OF SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2017

As for the valuation of investments in associates, the consolidated financial statements for 2017 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	1 320	11 071	100.00%	1 716	1 716	13 643	3 728		5 988	974	
LMH Solutions	3 000	- 770	100.00%	3 000	3 000	2 131	1 495		10 565	-10	
Manitou Italia	5 000	85 626	100.00%	34 460	34 460	85 718			245 272	12 951	2 100
Manitou Benelux	500	4 548	100.00%	713	713	5 048			116 231	2 114	990
Manitou Portugal	600	5 131	100.00%	2 963	2 963	5 802			18 190	1 078	3 000
Manitou Deutschland	800	2 616	100.00%	8 712	8 712	3 416			101 282	1 584	1 500
Manitou Manutencion Espana	200	1 513	100.00%	200	200	1 713	2 874		9 681	809	
Manitou Interface & Logistics Europe	500	968	99.00%	495	495	1 468	11 361		45 097	365	
Manitou Nordics	242	114	100.00%	244	244	356			1 001	20	
Manitou UK	GBP	GBP							GBP	GBP	
	230	9 577	99.42%	598	598	10 001			128 609	2 526	1 112
Manitou Americas	USD	USD							USD	USD	
	361 165	-150 128	100.00%	278 973	278 973	175 967			365 645	3 538	
Manitou Asia	SGD	SGD							SGD	SGD	
	400	11 028	100.00%	1 310	1 310	7 132	266		30 896	261	753
Manitou Southern Africa	ZAR	ZAR							ZAR	ZAR	
	938	229 170	100.00%	2 219	2 219	15 542			439 283	2 950	
Manitou Middle East	AED	AED							AED	AED	
	1 000	53	100.00%	212	212	239			2 706	- 82	
Manitou Australia	AUD	AUD							AUD	AUD	
	400	11 514	94.00%	869	869	7 764	849		67 930	2 477	
Marpoll Pty Ltd (LiftRite Hire & Sales)	AUD	AUD							AUD	AUD	
	100	6 357	55.00%	2 583	2 583	2 314			7 972	139	
Manitou China	CNY	CNY							CNY	CNY	
	59 938	-42,885	100.00%	5 705	5 705	2 185			16 378	- 60	
Manitou Vostok	RUB	RUB							RUB	RUB	
	338	401 376	100.00%	5 010	5 010	5 789			2 645 083	77 843	
Manitou Polska	PLN	PLN							PLN	PLN	
	200	1 124	100.00%	53	53	317			5 204	- 3	
Manitou South Asia	INR	INR							INR	INR	
	45 000	46 773	100.00%	637	637	1 198			217 471	16 079	
Manitou Equipment India	INR	INR							INR	INR	
	1 781 491	-1 120 021	100.00%	9 030	9 030	8 635			1 587 616	- 6 855	
Manitou Brasil Manipulacao de Cargas	BRL	BRL							BRL	BRL	
	23 123	-24,514	99.96%	6 570	6 570	- 350	6 098		18 240	- 11 747	
Manitou Malaysia	MYR	MYR							MYR	MYR	
	1 965	- 579	100.00%	400	400	286	260		5 221	- 166	
Manitou Chile	CLP	CLP							CLP	CLP	
	15 000	- 14 150	100.00%	20	20	1	83		90 987	-14,166	

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
B - INVESTMENTS IN AFFILIATES (10% TO 50%)											
Manitou Finance France	EUR 4 682	EUR 19 835	49.00%	12 571	12 571				EUR 47 083	EUR 2 362	
Manitou Finance Ltd	GBP 7 270	GBP 8 616	49.00%	4 875	4 875				GBP 8 180	GBP 3 000	
Hangzhou Manitou Machinery Equipment	CNY 27 880	CNY -19 412	50.00%	1 448	1 448				CNY 26 356	CNY - 5 912	
C - INVESTMENTS IN AFFILIATES (NON-TRADING COMPANIES)											
Cobra MS	10	- 10	100.00%	10	10				0	- 2	
Manitou Developpement	10	- 3	100.00%	10	10	7			0	- 3	

I I - 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	Shares at 20	EUR	66 000	1 716	13 643
Manitou Finance France	Shares at 1,000	EUR	12 571	12 571	12 571
Manitou UK	Shares at 1	GBP	228 670	598	10 001
Manitou Italia	Shares at 1	EUR	5 000 000	34 460	85 718
Manitou Benelux	Units at 500	EUR	999	713	5 048
Manitou Asia.	Shares at 1	SGD	400 000	1 310	7 132
Manitou Portugal	Shares at 5	EUR	120 000	2 963	5 802
Manitou Deutschland	Shares at 800,000	EUR	1	8 712	3 416
Manitou Southern Africa	Units at 1	ZAR	937 500	2 219	15 542
Manitou Finance Ltd.	Units at 1	GBP	3 562 000	4 875	4 875
Manitou Americas	Shares at 361,101	USD	1	278 973	175 967
Manitou Australia	Shares at 1	AUD	376 000	869	7 764
Manitou China				5 705	2 185
Manitou Manutencion Espana	Shares at 1	EUR	200 000	200	1 713
Hangzhou Manitou Machinery Equipment				1 448	1 448
Manitou Vostok	Shares at 1	RUB		5 010	5 789
Manitou Polska	Units at 1	PLN	400	53	317
Manitou Interface and Logistics Europe	Shares at 500	EUR	495	495	1 468
Manitou South Asia	Shares at 10	INR	4 499 999	637	1 198
Manitou Brasil Manipulacao de Cargas	Shares at 1	BRL	14 174 270	6 570	- 350
Manitou Nordics	Shares at 1	EUR	170 000	244	356
Manitou Middle East	Shares at 1	AED	1 000 000	212	239
Manitou Malaysia	Shares at 1	MYR	1 965 100	400	286
Manitou Chile	Shares at 1	CLP	15 000 000	20	1
LMH Solutions	Shares at 10	EUR	300 000	3 000	2 131
Manitou India Equipment	Shares at 10	INR	178 419 100	9 030	8 635
Marpoll Pty Ltd (LiftRite Hire & Sales)	Shares at 1	AUD	55 000	2 583	2 314
Cobra MS	Shares at 100	EUR	100	10	0
Manitou Developpement	Shares at 1	EUR	10 000	10	10
TOTAL				**385 606**	**375 219**

COMPANY FINANCIAL RESULTS FOR THE LAST FIVE YEARS

in euros	2013	2014	2015	2016	2017
I - AS AT YEAR-END					
a) Share capital	39 548 949	39 548 949	39 551 949	39 557 449	39 621 598
b) Number of shares issued	39 548 949	39 548 949	39 551 949	39 557 449	39 621 598
c) Number of convertible bonds					
II - COMPREHENSIVE INCOME FROM ACTUAL OPERATIONS					
a) Sales excluding taxes	825 013 338	881 163 431	875 052 088	950 604 154	1 164 794 691
b) Income before taxes, depreciation, amortisation, provisions and employee profit-sharing	-4,095,475	32 097 756	63 921 122	64 585 177	77 809 954
c) Income tax	8 011	1 168 145	2 442 468	7 061 863	13 167 140
d) Income after taxes, depreciation, amortisation, provisions and employee profit-sharing	-14,308,417	44 820 578	60 814 467	54 342 359	38 039 778
e) Total dividends paid	17 797 027	0	13 842 132	14 238 702	17 035 707
III - INCOME PER SHARE FROM OPERATIONS					
a) Income after taxes but before depreciation, amortisation, provisions and employee profit-sharing	-0.10	0.78	1.55	1.45	1.63
b) Income after taxes, depreciation, amortisation, provisions and employee profit-sharing	-0.36	1.13	1.54	1.37	0.96
c) Dividend paid per share	0.45	0	0.36	0.43	0.62
IV - PERSONNEL					
a) Number of employees	1 847	1 789	1 788	1 794	1 898
b) Total payroll expense	71 664 769	70 426 403	73 349 207	74 417 961	81 367 375
c) Amounts paid for employee benefits	36 160 048	38 172 381	38 410 040	40 879 418	43 272 286

6.4. STATUTORY AUDITORS' REPORTS 2017

6.4.1. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

At the shareholders' meeting of Manitou BF,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of MANITOU BF for the year ended 31 December 2017.

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 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st January 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

EMPHASIS OF MATTER

We draw your attention to Note 1.2 "Changes in accounting methods" to the notes to the financial statements that outlines the terms and conditions as well as the impacts of the first-time application of ANC regulation 2015-05 on forward financial instruments and hedging transactions.Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

PROVISIONS FOR WARRANTIES AND CAMPAIGNS

(See Note 11 to the annual financial statements)

KEY AUDIT MATTER

The Company records provisions for warranties and campaigns to cover the estimated warranty costs of machines and spare parts, and the costs of retrofitting sold equipment and the fleet of machines in the event of major or hazardous malfunctions. These provisions, totalling €7.5 million as at 31 December 2017, are recorded for warranties when machines are sold to networks or end customers, and for recall campaigns when a malfunction is detected. The warranty provision amount covers the contractual provision and its possible extension and is determined using historical statistical data projections. The campaign provision amount is determined using the unit cost of retrofitting the stock of machines and an estimate of the number of machines involved.

We considered the valuation of these provisions to be a key audit matter in the financial statements due to their importance in understanding the financial statements, the complexity of their calculation components and their sensitivity to the assumptions adopted by management.

RESPONSE AS PART OF OUR AUDIT

We familiarized ourselves with the provision valuation process.

We tested the key controls set up by management that we consider as most relevant to determine the costs underlying this valuation, and particularly those relating to the various rates used in the estimates (supplier usage rate, margin rate by product family).

Our work also consisted in:

- assessing the relevance of the Company's methodology,
- assessing the validity of the assumptions used to determine the warranty provisions,
- reviewing the calculations on a test basis,
- assessing the judgements made by management and the appropriateness of the disclosures in Note 11 to the financial statements,
- comparing the accounting estimates of prior periods with the corresponding actual figures.

MAJOR LITIGATION - JCB

(See the "Highlights of the period" note to the financial statements)

KEY AUDIT MATTER

In May 2017, Manitou BF was sued at the High Court of Paris by J.C. Bamford Excavators Limited for patent infringement, as mentioned in the "Highlights of the year" note to the financial statements. JCB's claims amounted to €20 million in terms of provisions for the non-pecuniary and commercial losses allegedly caused by Manitou BF.

The main proceedings are ongoing. After consultation with its lawyers, Manitou BF considers that the claims are unjustified, and a financial estimate of the risk actually incurred cannot be determined given the evidence at its disposal and the progress of the proceedings. In light of this, no provision was set aside in the financial statements for these claims. However, the Company recorded the estimated future legal costs of this litigation in its 2017 financial statements.

We considered this issue to be a key audit matter given its potential weight on the Company's financial statements and insofar as significant judgment is required at the year-end regarding the uncertain outcome of this litigation in order to estimate the actual risk incurred.

RESPONSE AS PART OF OUR AUDIT

As part of our audit of the financial statements, our work primarily consisted in:

- examining the procedures implemented by the Company to estimate the risk surrounding this litigation;
- familiarising ourselves with the Company's risk analysis, the corresponding documentation and the written consultations of external advisors;
- analysing the exchanges with lawyers and examining the documents relating to the ongoing legal proceedings;
- assessing the reasonableness of the assumptions used by management to estimate the provision for legal costs;
- verifying the appropriateness of the disclosures relating to this litigation in the notes to the financial statements.

VERIFICATION OF THE MANAGEMENT REPORT AND OF THE OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

INFORMATION RELATING TO CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations 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 controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of MANITOU BF by the annual general meeting held on 28 June 2013.

As at 31 December 2017, Deloitte & Associés and RSM Ouest were in their 28th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Orvault and Saint-Herblain, 3 April 2018
The statutory auditors

RSM Ouest	**Deloitte & Associés**
Jean-Michel PICAUD	Emmanuel GADRET

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2017

This is a 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.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments previously authorised by your Board of Directors.

AGREEMENT WITH MR. MARCEL BRAUD, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 8 JUNE 2017 AND HONORARY CHAIRMAN AND FOUNDER OF THE MANITOU GROUP SINCE 8 JUNE 2017

Payment of business expenses

On 26 April 2017, your Board of Directors was informed of the change in status of Mr. Marcel Braud as Honorary Chairman and Founder of the Manitou group. Accordingly, since 8 June 2017 he has assumed the role of Group representative and remains in contact with Executive Management and the various boards and committees.

The Board of Directors therefore authorised an agreement covering the business expenses and resources needed for the performance of his duties (mainly a company car with chauffeur, broadband, mobile phone and travel expenses).

As at 31 December 2017, your Company paid corresponding expenses of €26,426.

The Board of Directors justified this decision by stating that the interest of this agreement for the Manitou group is to continue benefitting from the experience and renown of Mr. Marcel Braud.

AGREEMENT AND COMMITMENTS UNDERTAKEN FOR MR. MICHEL DENIS, CHIEF EXECUTIVE OFFICER (CEO) SINCE 13 JANUARY 2014, RENEWED IN ADVANCE ON 5 DECEMBER 2017

Authorisation to extend the contract for the supply of two vehicles

On 5 December 2017, your Board of Directors authorised the signing of an amendment to the contract for the supply by GLGM Conseil, of which Mr. Michel Denis is manager, to Manitou BF, of which Mr. Michel Denis is CEO, of two vehicles, one for strictly professional use and one for professional and private use by Mr. Michel Denis, stipulating that the lease amount will be revised annually according to the SYNTEC index prevailing on 1 January of each year.

This agreement was signed on 10 March 2015 for a period of one year and is renewable by tacit agreement, subject to its termination by either of the parties or the termination of Mr. Michel Denis' duties as manager of GLGM Conseil and/or Chief Executive Officer of Manitou BF.

The total monthly budget allocated to the management of the two vehicles is €2,150, including VAT. This price may be revised annually.

The Board of Directors justified this decision in the same way as for the initial agreement, i.e. this agreement involves an optimisation of costs and the allocation of vehicles whose overall cost for Manitou BF is less than the allocation scale for a single company car, without impacting internal consistency.

Severance pay relating to the termination of the CEO's duties

On 5 December 2017, your Board of Directors authorised the principle by which Mr. Michel Denis would receive severance pay should his 4-year mandate be cancelled before its term or not renewed at the end of its term, unless such cancellation or non-renewal was due to gross negligence.

This authorisation follows on from the early renewal of Mr. Denis' mandate as CEO by the Board of Directors on 5 December 2017. The renewed mandate will begin at the end of the 2018 Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2017.

The amount of severance pay was set at 150% of the total annual fixed and variable compensation payable for the fiscal year preceding that during which the mandate was cancelled or not renewed, should such cancellation or non-renewal occur between 14 June 2018 and 31 December 2019, and at 200% should such cancellation or non-renewal occur between 1 January 2020 and the end of the mandate, provided that the financial criteria that triggers the payment of this compensation has been met. This criteria will be met as soon as the CEO has received, for all fiscal years from 2014 to that preceding the year in which the mandate will expire, a mathematical average at least equal to 35% of the potential maximum amounts of his variable compensation.

The Board of Directors justified this decision by stating that this severance pay is essential in order to remain attractive compared to other sector companies.

Non-compete obligation relating to the termination of the CEO's duties

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 a monthly compensation for a period of one year following the effective termination of his mandate, equal to half of his monthly fixed compensation received during the last month preceding the termination of his mandate.

The Board of Directors may release the CEO from the clause in writing, within fifteen days following notification of the mandate's termination, thereby removing the obligation for the company to pay the aforementioned compensation.

The Board of Directors justified its decision by stating that this safeguards the legitimate interests of the Company and/or Group, given the specific duties and confidential and strategic information that the CEO is required to have to carry out his mandate within the Company.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED IN PREVIOUS YEARS 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 until 8 June 2017 and Chairman of the Board of Directors since this date

Current account

Mrs. Jacqueline Himsworth's current account totalled €272,339 (including interest, net of deductions) as of 31 December 2017. This account bore interest at 1.67%. The amount of interest assumed by your Company in this respect totalled €2,469 in 2017.

Agreement with Mr. Braud, Chairman of the Board of Directors until 8 June 2017 and Honorary Chairman and Founder of the Manitou group since 8 June 2017, and Mrs. Braud

Current account

Mr. and Mrs. Braud's current account totalled €6,060,621 as of 31 December 2017 (including interest, net of deductions). This account bore interest at 1.67%. The amount of interest assumed by your Company in this respect totalled €60,621 in 2017.

Orvault and Saint-Herblain, 3 April 2018
The Statutory Auditors

RSM Ouest	**Deloitte & Associés**
Jean-Michel PICAUD	Emmanuel GADRET

7. NOTES

CONTENTS

7.1. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND GENERAL INFORMATION

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 financial statements 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 financial statements provided in this document and have read the entire document.

Ancenis, 3 April 2018

Michel Denis,

President and CEO

7.2. DOCUMENTS ACCESSIBLE TO THE PUBLIC

The Registration Document is available at the Company's registered 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 registered office:

- the Company's memorandum and 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 2016 Registration Document registered by the AMF on 17 April 2017, under the reference D.17-0388,
- the 2015 Registration Document registered by the AMF on 31 March 2016, under the reference D.16-0252,
- the 2014 Registration Document registered by the AMF on 31 March 2015, under the reference D.15-0268,
- the 2013 Registration Document registered by the AMF on 30 April 2014, under the reference R.14-025,
- the 2012 Registration Document registered by the AMF on 30 April 2013, under the reference R.13.020.

The parties not included in this document are either not applicable to the investor or are covered within the said Registration Document.

7.3. OFFICIAL AUDITORS

7.3.1. 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 28.06.2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31.12.2018

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 28.06.2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31.12.2018

7.3.2. ALTERNATE STATUTORY AUDITORS

BEAS, represented by Mr 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 28 June 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31 December 2018

Jean-Michel Grimonprez, alternate for RSM Ouest, registered member of the Regional Association of Statutory Auditors of Rennes,

Appointed on 28 June 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31 December 2018

FEES PAID TO THE STATUTORY AUDITORS AND THEIR NETWORK

The fees recorded in 2017 by Manitou BF and its fully consolidated subsidiaries for the assignments entrusted to the college of Statutory Auditors, their respective network and their colleagues, are detailed in Note 22 of the consolidated financial statements.

PERSONS RESPONSIBLE FOR FINANCIAL INFORMATION

Michel Denis, President and Chief Executive Officer

Hervé Rochet, Corporate Secretary

MANITOU

430, rue de l'Aubinière – BP 10 249 – 44158 Ancenis Cedex – France

Phone +33 (0)2 40 09 10 11

7.4. OTHER INFORMATION ON MANITOU BF

NAME

Manitou BF

REGISTERED OFFICE

430, rue de l'Aubinière

BP 10 249

44 158 Ancenis Cedex – France

Telephone + 33 (0)2 40 09 10 11

LEGAL FORM

A French public limited liability company (*société anonyme*) with a Board of Directors, governed by the provisions of the French Commercial Code (*code de commerce*).

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 organisations.

DURATION OF THE COMPANY

The company's incorporation was published on 5 February 1954 and the company was registered in the Nantes Trade Register on 23 September 1957. The company's duration was set at ninety-nine years (99) as of 3 June 1980.

COMPANY PURPOSE

(ART. 3 OF THE COMPANY'S ARTICLES OF ASSOCIATION)

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, import and export of all construction and lifting equipment, and all agricultural and industrial equipment and the directly or indirectly associated spare parts,
- the creation, acquisition, rental, leasing, installation 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 company 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

Trade and Companies Register number and APE (principal activity code):

857 802 508 RCS Nantes – APE (principal activity code) 292 D – NAF (business sub-sector ID) number 2822Z

FINANCIAL PERIOD

The financial period covers twelve months starting on 1 January and ending on 31 December of each year.

STATUTORY DISTRIBUTION OF EARNINGS

Net earnings are composed of the net gains for the financial period recognised in the annual financial statements, after deduction of general expenses and other personnel expenses, any asset amortisation 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 articles of association, 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 articles of association.

VOTING RIGHTS

Excerpt from Article 9 of the articles of association, "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".

7.5. CROSS-REFERENCE TABLE IN ACCORDANCE WITH ANNEX I TO COMMISSION REGULATION (EC) NO. 809/2004

7.6. CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT (AFR) AND THE MANAGEMENT REPORT

Headings	Information for	Paragraphs	Pages
STATEMENT BY THE PERSON RESPONSIBLE	**AFR**	**7.1**	**164**
PARENT COMPANY FINANCIAL STATEMENTS	**AFR**	**6.3**	**136**
CONSOLIDATED FINANCIAL STATEMENTS	**AFR**	**6.1**	**96**
STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS	**AFR**	**6.4**	**158**
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	**AFR**	**6.2**	**133**
MANAGEMENT REPORT			
INFORMATION IN RESPECT OF THE BUSINESS OF THE COMPANY AND THE GROUP			
Situation of the company and the group during the past financial year, foreseeable trend and important events since year-end L.232-1 II + V; L. 233-26 French Commercial Code		2.1 2.2 2.5.1	18 to 20 21 to 22 27
Business and results of the company and the group by business line L.233-6 French Commercial Code		2.1 2.2	18 to 20 21 to 22
Objective and comprehensive analysis of the business trend, results and financial situation (in particular, the debt situation) of the company and the group L.225-100-1 French Commercial Code	AFR	2.1 2.2	18 to 20 21 to 22
Key financial and, where applicable, non-financial performance indicators of the company and the group L.225-100-1 French Commercial Code	AFR	1.1	6
Main risks and uncertainties of the company and the group L.225-100-1 French Commercial Code	AFR	3.1 3.2 3.3	30 to 34 35 to 37 38
Internal control and risk management procedures relating to the preparation and processing of the accounting and financial information of the company and the group L.225-100-1 French Commercial Code	AFR	3.5	39 to 40
Objective and hedging policy of the company and the group for transactions for which hedge accounting is used Exposure to price, credit, liquidity and cash risks of the company and the group Use of financial instruments of the company and the group L.225-100-1 French Commercial Code	AFR	3.1 6.1.5 Note 9	30 to 34 110 to 115
Financial risks associated with the effects of climate change and presentation of measures taken to reduce them (low carbon strategy) of the company and the group L.225-100-1 French Commercial Code	AFR	3.3 4.2	38 48 to 51
Research and development activity of the company and the group L.232-1 II + V; L.233-26 French Commercial Code		2.3	25
Branches L.232-1 II + V French Commercial Code		N/A	
LEGAL, FINANCIAL AND TAX INFORMATION OF THE COMPANY			
Breakdown and changes in share ownership structure L.233-13 French Commercial Code		1.1 5.4	6 90 to 93
Name of controlled companies and portion of the company's share capital they hold L.233-13 French Commercial Code		6.1.5 Note 33	132
Significant stakes acquired during the period in companies having their registered office on French territory L.233-6 French Commercial Code		N/A	
Cross-shareholdings R.233-19 French Commercial Code		N/A	

Headings	Information for	Paragraphs	Pages
Employee share ownership situation L.225-102 French Commercial Code		5.4.2	90 to 92
Acquisition and disposal by the company of its own shares (share buyback) L.225-211 French Commercial Code	AFR	5.4	90 to 93
Adjustments to shares giving access to capital in the event of financial operations R.228-91 French Commercial Code		N/A	
Adjustments to shares giving access to capital and stock options in the event of share buybacks R.228-90 and R. 225-138 French Commercial Code		N/A	
Dividend distributions over the last three years 243 bis CGI (French General Tax Code)		5.4.8	93
Expenses and costs that are not tax deductible 223 quater CGI (French General Tax Code)		2.2.8	24
Injunctions or financial penalties for anti-competitive practices L.464-2 I-5 French Commercial Code		N/A	
Payment deadlines and breakdown of the balance of trade payables L.441-6-1; D.441-4; A 441-2 French Commercial Code		2.2.8	24
Amount of inter-company loans L.511-6 3 bis Comofi (French Monetary and Financial Code)		6.3.4 Note 4	142
Information on operating a SEVESO facility (Art. L. 515-8 French Environment Code) (*Code de l'environnement*) L.225-102-2 French Commercial Code		N/A	
INFORMATION ON CORPORATE OFFICERS			
Summary of securities transactions of persons discharging managerial responsibilities and closely associated persons. L.621-18-2 Comofi (French Monetary and Financial Code); 223-26 RG AMF (AMF General Regulations)		5.3	84 to 89
CSR INFORMATION			
Taking into account the social and environmental consequences of the business, including the consequences on climate change and the use of goods and services produced, in addition to societal commitments in favour of sustainable development, the circular economy, the fight against food waste and in favour of the fight against discrimination and the promotion of diversity. L.225-102-1; R.225-105; R.225-105-1 French Commercial Code		4.3	52 to 60
DOCUMENTS ATTACHED TO THE MANAGEMENT REPORT			
Report on payments to governments L.225-102-3 French Commercial Code		N/A	
Table of the company's results for each of the last five years R. 225-102 French Commercial Code		6.3	157
Report on corporate governance L.225-37-2 to L.225-37-5; L.225-68; L.226-10-1 French Commercial Code		5	73 to 93

7.7. GLOSSARY

EXPLANATION OF THE REPORTING LINES

NET SALES

Net 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 SALES

The cost of sales is made up of the cost of goods and services sold, which comprises the cost of raw materials and components, labour directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortisation 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 COSTS

Research and development costs 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 costs that meet feasibility and innovation criteria can be capitalised as intangible assets and subsequently amortised as cost of sales. Expenses not meeting the criteria for capitalisation are recognised directly as expenses.

SALES AND MARKETING COSTS

Sales costs 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 costs, 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.

EXPENSES & INCOME ON NON-RECURRING ITEMS

Non-recurring expenses and income include the following items:
- the recognition of impairment,
- income from significant or unusual disposals of tangible and intangible assets,
- acquisition and consolidation expenses,
- income relating to "Badwill",
- income from disposals of consolidated securities,
- restructuring costs,
- unusual items corresponding to other income and expenses which are not usual in terms of their frequency, nature and amount.

OPERATING INCOME OR OPERATING MARGIN

Operating income, also referred to as operating margin in this document, 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 the operating income.

FINANCIAL INDICATORS & 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 amortisation and impairment losses.

RECURRING EBITDA

Operating income - income and expenditure on non-recurring items +/- provisions - reversals of amortisation 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 + trade receivables + 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 unfavourable 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.

Notes

notes

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GROUP

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