Haulotte GROUP

MANAGEMENT REPORT

EXCERPT OF THE MANAGEMENT REPORT

presented to the annual ordinary and extraordinary general meeting of 2 June 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Business sectors –Product offering – Market

Haulotte Group is one of the three worldwide leaders in the market for powered access platforms both as a manufacturer of the main equipment categories (telescopic booms, articulating booms, scissor lifts, vertical masts) and as a global distributor. The Company's offering was completed in spring 2007 with the launch of the telehandler.

Based on industry statistics, the Company maintained its share in a worldwide market that declined 75% from 2008. Markets in the US and Europe were particularly impacted by the economic downturn. This had in turn a significant impact on our distribution subsidiaries in this latter region, notably in Spain and the United Kingdom. While subsidiaries were reorganised to adapt to this lower level of activity, the Group decided nevertheless to maintain its different operations to retain its proximity to customers and strengthen its services activity.

Haulotte Group adapted its manufacturing operations by considerably reducing production output at its plants, adjusting staff levels and implementing short-time working measures. A manufacturing plant was created in China and will launch the first equipment models in 2010. Other projects were also launched at the US manufacturing plant for the local market. These new operations will significantly contribute to establishing competitive positions in these regions.

Review of operations and results for the year under review

The fiscal year ended 31 December 2009 for which the accounts are submitted for approval to the Ordinary General Meeting is the company's twenty-fifth year of operations since its creation.

In this period the company had sales of €98 million, a significant decrease on the prior year (€359 million) with export sales accounting for 66% of this total.

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Presentation of statutory accounts

Highlights of the statutory accounts of Haulotte Group SA for 2009 are presented below:

Financial Highlights	Fiscal 2009	Fiscal 2008
Revenues	98 339	358 965
Operating Profit	(18 899)	31 272
Net Financial Income (Expense)	(23 545)	(61 914)
Extraordinary Profit (Loss)	1 175	43 089
Net Profit (Loss)	(27 040)	20 704

Analysis of statutory results

Sales in 2009 of Haulotte Group SA declined and stood at €98 million. This performance was significantly impacted by the worldwide economic slowdown and credit crunch weighs on business equipment sales declined sharply.

The operating profit is strongly negative. The deterioration resulted mostly from the fall in sales volume and sub-activity of production sites.

Net financial expense amounted to €23.54 million primarily from provisions for the shares of subsidiaries in addition to debt waivers granted to two subsidiaries.

In light of the above, the net loss for the period was €27.04 million.

Progress made or difficulties encountered

Fiscal 2009 was characterised by the very low level of activity worldwide. In response, the Group continued ongoing efforts to adapt its organisation and structures to both minimise impacts on earnings and consolidate its position for the future.

Following the acquisition of BilJax, the North American region was reorganised to achieve synergies and prepare the manufacturing platform to service the local market. A manufacturing plant was also created in China that is expected to sell its first units in 2010. The distribution network was adapted by reducing staff levels of subsidiaries (primarily in Spain, the UK and Australia).

Haulotte Group made considerable efforts in 2009 to reduce the volume of trade receivables combined with initiatives to find financing solutions for its customers. This has resulted in an improvement in Days Sales Outstanding (DSO) in the second half of the fiscal year ended 31 December 2009.

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Foreseeable changes in the company's situation and outlook

Visibility for the market in early 2010 has remained very limited and an upturn is not expected in the worldwide market in the first half of this year. In this uncertain context, the priority remained to reduce working capital and to contain our fixed costs by:

- Maintaining production at 2009 levels while continuing to decrease inventories;
- New reorganisation measures for some sales subsidiaries accompanied by further recourse to short-time work.

Commercial activity will be strengthened in regions offering high-growth (Asia and Latin America) as well as in the US where the Group's goal is to significantly expand its market share.

Targets for operating performances in 2010 are to achieve breakeven cash flow while generating additional cash through inventory reductions.

The Group's liquidity is also through short-term and medium-term credit lines of a syndicated loan.

Important post-closing events

After breaching financial ratios in the 2009 second half, Haulotte Group reached an agreement with its banks setting new conditions applicable to these credit lines until the maturity of the syndicated loan in July 2013.

This agreement provides for a two-year grace period suspending the testing of financial ratios provided for in the initial loan agreement with the implementation of liquidity ratio tests to be performed on 31 March 2010 and 2011 respectively. It defines new terms and conditions for interest payments to the lenders and provides for the transformation of a portion of the amortising credit lines into revolving credit lines for €50 million.

Key risks and uncertainties

Because the company outsources a significant share of its production, the sourcing capacities of its suppliers constitute a primary risk. To prevent risks of supply chain disruptions, the strategy of diversifying suppliers of key components must be pursued. Measures were implemented at the end of 2008 to monitor suppliers considered to represent a higher risk in order to anticipate the potential consequences of the current economic crisis.

The Group's positions in Europe, North America and Asia allow it to produce its different product lines on the basis of costs in different currencies. This strengthens its competitiveness in relation to its two major competitors that are US companies.

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The third significant risk is the sensitivity of our sales to credit restrictions by financing markets. The current economic crisis had an impact on 2009 and will continue to represent a drag on sales in 2010. For strategic customers, Haulotte Group will provide financing for a portion of sales, while maintaining trade receivable risks at reasonable levels.

Finally, a risk specific to our business is the absence of long-term commitments by our customers. This risk was confirmed in 2009 by a backlog of orders representing only a few weeks of activity. Because visibility remains

The company's exposure to risks concerning price, credit, liquidity and capital resources

The major share of the company's sales is generated through its sales subsidiaries. Despite fierce competition, these subsidiaries have successfully maintained sales.

Of the total amount available under the syndicated loan of €233.5 million, credit lines of €221 million have been drawn (position at 31 December 2009). These drawdowns provided capital resources to the Group that ended the year with a balance of cash (and cash equivalents) of €65.8 million. After a breach of debt covenants in the 2009 second half, Haulotte Group reached an agreement with its banking partners in January 2010, setting new conditions applicable to the loan agreement until its maturity in July 2013. Amounts to be repaid in 2010 and 2011 total respectively €44.2 million and €45.2 million. On this basis, the Group has sufficient liquidity until the crisis subsides.

Use of financial instruments - Company financial risk management objectives and policy

The company has recourse to interest rate and currency derivatives such as interest rate swaps, collars, forward currency sales (mainly in USD).

The company does not systematically hedge interest rate and foreign exchange risk.

However, transactions are undertaken according to market opportunities. In such cases, they are destined to cover existing assets or liabilities rather than for speculative purposes.

Changes in the presentation of the annual accounts or methods of valuation applied in prior years

We inform you that the annual financial statements were prepared according to the same presentation and methods that were used in prior periods.

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Research and development

Efforts devoted to research and development were maintained to ensure that we will continue to offer our customers innovative solutions. At the same time, greater care has been devoted in selecting projects to achieve improved returns on investment and ensure that the solutions and services developed are fully in line with the needs of our customers. The development of new technical solutions will also enable us to reduce production costs for certain models.

Disallowed deductions under 39-4 of the French general tax code concerning sumptuary and amortisation expenses:

In compliance with the provisions of article 223 quater of the French general tax code, accounts of the period ended include non-deductible expenses of €43 857.04 with a corresponding tax of €14 619.

Breakdown of trade payables of the Company by maturity

In compliance with the provisions of articles L.441-6-1 subsection 1 and D.441-4 of the French Commercial Code, a table is provided below providing the breakdown for the fiscal year ended 31 December 2009 of outstanding trade payables by maturity and as well as the balance at 31 December 2008.

Due dates in 2010	Trade payables balance 31/12/2009 (€ thousands)
January	8 208
February	4 520
March	3 060
April	228
Total	**16 016**

The balance of trade payables at 31 December 2008 was K€40 141.

Five-year financial summary

In compliance with the provisions of article R.225-102 of the French Commercial Code, the five-year financial summary for the Company is presented in Appendix 1 hereto.

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PROPOSED APPROPRIATION OF INCOME FOR THE YEAR

We hereby submit for your approval the annual financial statements (balance sheet, income statement and notes) as presented showing a loss for the year of €27 040 421.30.

We propose that you allocate the full amount of the loss for the year ended 31 December of €27 040 421.30 to «Retained earnings» that would in consequence be reduced from €125 912 503.59 to €98 872, 082.29.

DIVIDENDS PAID FOR THE LAST THREE FISCAL YEARS

In accordance with article 243 bis of the French General Tax Code, information on dividends paid for the last three fiscal years is disclosed below:

Fiscal year	Groos income eligible for tax allowance		Income not eligible for tax allowances	Tax allowance rate
	Dividends per share	Other distributions		
2006	0,17			Taux 40%
2007	0,22			Taux 40%
2008	0,22			Taux 40%

SUBSIDIARIES AND ASSOCIATES

Acquisitions of shareholdings or controlling interests:

We inform you that the Company acquired no new shareholdings or controlling interests in any company in the financial period ended.

Disposals of shareholdings related to adjustments of cross-shareholdings:

We inform you that the Company has not divested any shares for the purpose of eliminating cross-shareholdings prohibited by articles L.233-29 and L.233-30 and the French Commercial Code.

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Other disposals:

We inform you that the Company has not sold any investments in the financial period ended.

Results of subsidiaries:

At year-end, the company exercised controlling interests in 31 subsidiaries. The results of these subsidiaries are summarised below (thousands of euros):

Subsidiary	Ownership interest (%)	2009 sales € Thousands	2008 sales € Thousands	2009 Profit/Loss € Thousands	2008 Profit/Loss € Thousands
Haulotte France. Sarl.	99,99%	32 375	69 512	(6 006)	238
Haulotte Service France sarl	100% by Haulotte France sarl	-	-	(1)	(1)
Abm Industries sas	100%	133	487	60	48
Telescopelle Sas	100%	115	159	59	186
Levanor Maquinaria de Elevacion sa	91%	3 441	5 364	48	751
Nove	100%	10 302	11 002	(252)	33
Haulotte Arges Srl	100%	2 949	19 352	(2 729)	1 601
Haulotte Cantabria Sl	99,96%	9 329	39 445	(4 420)	(1 509)
Haulotte Hubarbeitsbuhnen Gmbh	100%	19 123	53 443	332	2 962
Haulotte Uk Ltd	100%	7 943	11 771	(10 301)	(3 460)
Haulotte Italia S.R.L.	99,00%	12 768	45 193	(1 025)	1 893
Haulotte Australia Pty Ltd	100%	8 978	11 103	924	(3 819)
Haulotte Iberica S.L	100%	15 744	75 454	(22 395)	(2 402)
Haulotte Portugal Plataformas de Elavacao Unipersoal Lda	100% Haulotte Iberica	-	-	-	-
Haulotte Netherlands B.V	100%	3 656	10 349	(488)	(864)
Haulotte Us Inc	100%	12 123	11 362	(12 694)	(7 826)
Equipro / BilJax (1)	100% Haulotte Us Inc.	30 038	22 310	(398)	129
Haulotte Scandinavia AB	100%	7 103	24 025	(424)	2 702
Haulotte Do Brazil Ltda	99,98%	7 278	13 059	1 974	(4 166)
Haulotte Vostok Ooo	100%	4 428	8 434	(1 884)	(603)
Haulotte Polska Sp Zoo	100%	3 786	25 814	(499)	1 453
Haulotte Singapore Ltd	100%	5 440	8 282	(574)	40
Haulotte Trading Co Ltp	100%	3 694	1 822	(216)	225
Haulotte Argentine	100%	1 341	602	(242)	(40)
Haulotte Mexico (2)	95%	584	3 144	(838)	(553)
Haulotte Middle East	100%	8 721	18 985	1 068	1 383
Haulotte Access Equipment Manufacturing (Changzhou) Co. Ltd	100%	-	-	(214)	-
Mundielevacao	90% Levanor	3 361	4 167	107	(12)
Uk Platforms Ltd	100% Haulotte UK	9 155	13 866	1 329	(2 936)
(Uk Training) becomes Access Rental Uk	100% Uk Platform Ltd	4 769	0	190	0
Horizon High Reach Limited	100%	2 441	2 915	190	727

1) Including the following companies: BilJax Inc, BilJax Planking Systems Inc, BilJax Service Inc, Construction and Scaffold Supply Inc, Seaway Scaffold and Equipment Inc, Scaffold Design and Erection Inc, CSI Construction Supply International Inc, USA One Inc.

2) Including Haulotte Service SA of CV.

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Environmental impact of subsidiaries:

Overall, consolidated subsidiaries do not engage in any industrial activities with potentially adverse environmental impacts.

As primarily trading companies, their activity is limited to the temporary storage of machines and spare parts. The rare cases involving the handling of fuels, hydraulic oils and storage batteries during loading and unloading operations is always carried out under safe conditions. The recycling of these items is systematically entrusted to authorised organisations.

Policies of subsidiaries concerning the impact of their activities on regional development and local population:

Almost all employees of consolidated foreign subsidiaries have been recruited locally. The terms of employment are generally better than those under local collective bargaining agreements. The company seeks to provide opportunities to enable deserving employees to benefit from its growth.

INFORMATION ON COMMON STOCK

Changes in share capital in fiscal 2009

We inform you that pursuant to the decision of the Board of Directors on 11 March 2009, the Company cancelled 1 401 595 shares acquired through the share-by back program under the authorisation granted to the Board of Directors by the General Meeting on 22 April 2008. The share capital was in consequence reduced by €182 207.35 from €4 236 851.32 to €4 034 643.97.

We furthermore inform you that 2 100 new shares were created in the period ended 31 December 2009 from the exercise by employees of stock options under plan No. 3 of 8 July 2003. On this basis, the share capital was increased by €273 from €4 054 643.97 to €4 054 916.97, divided by 31 191 669 shares with a nominal value of €0.13 per share.

The modification of the share capital under article 7 of the bylaws was recorded by the Board of Directors' meeting of 10 March 2010.

Crossing of ownership thresholds and holdings of share capital of voting rights subject to disclosure requirements

In accordance with the provisions of article L. 233-13 of the French Commercial Code and based on the information and notifications received pursuant to articles L. 233-7 and L. 233-12 of the French Commercial Code, the identity of shareholders directly or indirectly owning over 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% or 95% of the share capital or voting rights is disclosed below:

- At 31 December 2009, Solem SAS held more than one half of the share capital (55.97%) and more than two thirds of the voting rights (73.67%);
- Kempen Management held more than 5% of the share capital and more than 3% of the voting rights (notification of the crossing of the disclosure threshold of 27 October 2008).

Furthermore, on 21 September 2009, UBS Investment Bank, Wealth Management and Corporate reported having crossed the disclosure threshold under the Articles of Association of 1% of the share capital and voting rights of the Company or any multiple of this percentage (holding of 3.38% of the share capital and 2.15 % of the voting rights).

OWN SHARES PURCHASED AND/OR SOLD BY THE COMPANY

In accordance with article L.225-211 subsection 2 of the new French Commercial Code resulting from the decision of 30 January 2009, we inform you that in the fiscal year ended 31 December 2009, information on trading by the Company in its shares is provided below:

Number of shares purchased in fiscal 2009	0
Average purchase price of own shares in fiscal 2009	N/A
Execution fees	0 €
Number of shares sold in fiscal 2009	0
Average sale price of own shares in fiscal 2009	N/A
Number of shares cancelled in fiscal 2009	1 401 595 shares
Number of treasury shares recorded at 31 December 2009	1 837 823 shares
Percentage of treasury shares held at 31 December 2009	5,89 %
Net carrying value of treasury shares at 31 December 2009	11 831 403 €
Nominal value of treasury shares at 31 December 2009	238 917 €
Market value of treasury shares at 31 December 2009 (share price of €6.31 on the date)	11 596 663 €

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The breakdown by purpose for the use of own shares at 31 December 2009 was as follows:

Purposes of share buybacks	Number of shares
Maintaining an orderly market in the company's shares through an investment services provider within the framework of a liquidity agreement based on the model contract drafted in accordance the French association of investment firms' (AFEI or Association Française des Entreprises d'Investissement) code of conduct of 23 September 2008 and approved by the AMF (Autorité des Marchés Financiers) on 1 October 2008;	139 418
For employee stock option plans and other share grants in accordance with the provisions of article L.3332-1 et seq. et R.3332-4 of the French Labour Code or grants to employees and/or officers of the Company or companies covered by article L.225-197-2 of the French Commercial Code of shares of the Company or the grant of shares in connection with employee profit-sharing plans;	0
Retaining such shares for subsequent use as a means of payment or exchange in connection with financial transactions or acquisitions, in compliance with applicable regulations;	1 629 558
Cancelling shares thus acquired, subject to adoption by the extraordinary shareholders' meeting of the resolution authorising the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company.	68 847
TOTAL	**1 837 823**

No shares of the Company were reallocated for other purposes or objectives.

SHARE PRICE TRENDS AND TRADING ACTIVITY

At 31 December 2009, the Company's share capital was comprised of 31 191 669 shares. The market capitalisation at 31 December 2009 was €200 562 431.60

Information on share price trends and trading activity for the period is provided below:

Month	Trading volume (number of shares)	Average share price (€)	High (€)	Low (€)
January 2009	766 758	4,47	5,09	3,81
February 2009	796 474	3,56	4,15	2,97
March 2009	1 327 398	3,03	3,68	2,40
April 2009	1 417 552	4,297	5,48	3,16
May 2009	745 594	4,98	5,25	4,61
June 2009	908 868	4,96	5,78	4,53
July 2009	722 982	4,66	5,65	4,53
August 2009	1 416 508	5,55	7,16	5,51
September 2009	1 612 517	6,24	7,17	5,55
October 2009	1 873 958	7,76	9,50	6,65
November 2009	437 916	7,55	8,09	7,10
December 2009	750 889	6,43	7,46	6,05

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In the period ended, the Haulotte Group share traded between a range of a high of €9.50 and a low of €2.40.

DIRECTORS AND OFFICERS

Shareholdings of directors and officers:

At 31 December 2008, the shareholdings of corporate officers were as follows:

- Pierre Saubot, Chairman of the Board of Directors and Chief Executive Officer: 13 189 actions, or 0.0.4% of the capital,
- Alexandre SAUBOT, Deputy Chief Executive Officer: 990 shares or 0.003% of the capital.

List of corporate appointments:

OFFICERS	APPOINTMENTS HELD IN THE COMPANY	APPOINTMENTS HELD IN OTHER COMPANIES
Pierre SAUBOT	Chairman of the Board of Directors Chief Executive Officer Director	Chairman of the Board of Directors Solem SAS Representative of Haulotte Group SA, Chairman of ABM Industrie SAS, Representative of Haulotte Group SA, Chairman of Telescopelle SAS, Co-Manager of SCI La Coquille, Manager of Société Commerciale du Cinquau, Manager of SCI Lancelot, Director of Société Valeur du Sud Treasurer of the "Confédération Nationale des Vignerons indépendants de France", Chairman of the "Fédération Départementale du 64 des Vignerons Indépendants".

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Alexandre SAUBOT	Deputy Chief Executive Director	Director of Solem SAS Representative of Haulotte Group SA, Representative of Haulotte Group SA, Chairman of ABM Industrie SAS, Representative of Haulotte Group SA, Chairman of Télescopelle SAS, Manager of Haulotte France SARL, Manager of Haulotte Services France SARL Director of Haulotte Netherlands BV, Director of Haulotte Iberica, Director of Haulotte Portugal, Director of Haulotte Scandinavia, Director of Haulotte Italia, Manager of Haulotte GmbH, Director of Haulotte Polska, Manager of Haulotte UK, Manager of UK Platforms, Manager of UK Training, Manager of Haulotte Australia, Chairman of Haulotte US, Manager of Haulotte Singapour, Representative of Haulotte Group SA, Sole director of Haulotte Cantabria, Director of Haulotte Arges, Chairman of Haulotte Trading (Shangaï) Co. Ltd, Director of Haulotte Mexico, Chairman of Locav Srl, Nove Srl , Manager of Haulotte Middle East, Representative of Haulotte Group SA, sole director of HHR.
Elisa SAUBOT	Director	None
Hadrien SAUBOT	Director	None
José MONFRONT	Director	Director of Haulotte Trading Shangaï co.Ltd.
Michel BOUTON	Director	Chairman of PVI, Chairman of PVI HOLDING Chairman and Chief Executive Officer of Escal (subsidiary of PVI), Chairman of Sovibus (minority shareholder of PVI).

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Bertrand BADRE	Director	Supervisory Board member, CACEIS Director, Crédit Agricole Asset Management Director, Crédit Agricole Covered Bonds Director, FINAREF Director, Newedge Group Director and Vice-Chairman, SFEF Director, Sofiouest Executive Committee member, Crédit Agricole SA Chief financial officer, Group Crédit Agricole SA Member of the General Management Committee, Crédit Agricole SA

Compensation of corporate officers

Compensation and benefits of any nature granted in fiscal 2009 two each corporate officer by the Company, companies over which it exercises control and the controlling company as understood under article L.233-16 of the French Commercial Code breaks down as follows:

Corporate officers	Fixed compensation in euros *		Variable compensation in euros *		Benefits in-kind
	2009	2008	2009	2008	
Pierre SAUBOT	175 500	175 500	50 000	80 000	None
Alexandre SAUBOT	169 000	169 000	90 000	110 000	None

(*) Compensation paid by Solem, the controlling company, to officers in this.

No compensation has been paid by the company for serving as corporate officers. Only travel expenses for attending Board meetings are reimbursed on the basis of vouchers.

Corporate officers do not benefit from a special pension scheme.

No stock options or stock purchase options have been granted to officers nor have any bonus shares been granted to them.

The company has made no commitment of any nature in favour of corporate officers constituting components of compensation, indemnities or other benefits payable or that could be payable in connection with the assumption, termination or change of these appointments or subsequent thereof.

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Transactions involving shares of the company by officers or related parties in accordance with article L.621-18-2 of the French Financial and Monetary Code

Executives of the Company have not informed the Company of any transactions in shares they hold in the Company, either directly or through persons with whom they have close personal relations in the fiscal period ended 31 December 2009.

Transactions involving shares of the company by members of the Executive Committee «considered as officers» in accordance with article L.621-18-2 b) of the French Financial and Monetary Code

Members of the Executive Committee «considered as officers» in have not informed the Company of any transactions in the shares they hold in the Company in the fiscal year ended 31 December 2009.

EMPLOYEE STOCK OWNERSHIP

In compliance with article L. 225-102 of the French Commercial Code, we inform you that on the last day of the fiscal year ended 31 December 2009 the shareholding of employees was less than 3%.

Bonus shares granted to company employees

In fiscal 2009 no bonus shares were granted to employees of the company.

Stock options or stock purchase options destined for salaried employees of the Company:

We inform you that no stock options or stock purchase options were granted to employees of the Company in the fiscal year ended 31 December 2009.

In contrast 2 100 shares were subscribed in 2009 by employees resulting from the exercise of options under plan N°3 of 8 July 2003.

Detailed information on the stock options and the subscription of shares under this plan is presented in the special report drawn up in accordance with article L.225-184 of the French Commercial Code.

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INFORMATION HAVING A POTENTIAL IMPACT IN THE EVENT OF TAKEOVER BIDS (ARTICLE L.225-100-3 OF THE FRENCH COMMERCIA CODE)

Items that could have a potential impact in the event of takeover bids are as follows:

Capital structure of the company

SOLEM, the majority shareholder of the company, is itself held by the Saubot family

At 2009 year-end, the capital structure of the company was as follows:

- Solem: 55.97% of the share capital (and 73.67% of the voting rights);
- Holders of bearer shares: 36.11% of the share capital (and 23.79% of the voting rights);
- Executive officers: 0.05 % of the share capital (and 0.06 % of the voting rights);
- Holders of registered shares: 1.98% du capital (and 2.47% of the voting rights);
- Treasury shares: 5.89% of the share capital.

Restrictions under the bylaws on the exercise of voting rights and the transfer of shares or the provisions of agreements reported to the company in compliance with article L. 233-11 of the French Commercial Code

Under Article 9 (Transfer and Transmission of Shares) of the bylaws, legal entities or natural persons that acquire or cease to hold a fraction equal to 1% of the share capital or the voting rights or any multiple thereof, must notify the company within fifteen days of crossing such thresholds.

Under the bylaws, if the company has not been so notified, shares that exceed the fraction to be reported under this disclosure requirement shall be deprived of voting rights at the request of one or more shareholders holding 5% of the share capital (with such request recorded in the minutes of the general meeting).

Holders of shares conferring special control rights and a description thereof

All shares of the company confer upon shareholders a right to participate in meetings under the conditions and subject to the provision provided for by law and regulations.

Shares shall confer a right to a percentage of the company's assets, the distribution of earnings and proceeds after liquidation equal to the proportion of the share capital they represent.

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In accordance with article 16 of the bylaws, a double voting right is granted to all fully paid-up shares in proportion to the capital they represent subject to proof that they have been registered for at least four (4) years in the name of the same shareholder.

This right is also granted pursuant to the capitalisation of reserves, earnings or additional paid-in capital to free registered shares granted on the basis of existing shares entitled to the same right.

Rules concerning the appointment and replacement of directors

The bylaws provide that the company is governed by a Board of Directors whose composition complies with applicable legal provisions.

Appointment of directors:

Every director must be a shareholder of the company and hold at least one qualifying share (article 12 of the bylaws).

By law a director may be a natural person or legal entity.

Each director must possess legal capacity or be an emancipated minor and shall not be subject to incompatibilities or restrictions provided for under law.

The director may be a salaried employee of the company if his or her employment contract predates the appointment to the board and corresponds to an actual employment.

The number of directors bound by employment contracts with the company may not exceed one third the total members on the board.

In the absence of an age limits set by the bylaws for directors, not more than one third of the board members may exceed seventy years of age.

Appointments of directors during the life of the company fall under the authority of the ordinary general meeting and shall be recorded in the agenda of the meeting except for cases of appointments following revocation.

Directors are appointed for a maximum term of six years (article 12 of the bylaws).

The Board of Directors selects from among its members a natural person as Chairman that must be less than seventy years of age. The Chairman is appointed for a term which may not exceed his or her term as director and may be reappointed (article 12 of the bylaws).

Directors may be reappointed and no provisions of the bylaws provide for the contrary.

The bylaws shall not set a minimum number of directors that exceeds the legal minimum.

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Replacement of directors:

When during his or her term the Chairman of the Board of Directors reaches seventy, he or she shall be considered to have automatically resigned and will proceed with the appointment of a new chairman in accordance with the provisions of the bylaws (article 12 of the bylaws).

In the event of vacancies of board directorships pursuant to death or resignation, Board members may appoint themselves, on an interim basis by cooptation, a new director whose appointment must be approved by the next shareholders' meeting.

Cooptation is not possible when the number of directors is less than the legal minimum of three. In the latter case the ordinary general meeting must be immediately called to complete the number of board members.

In compliance with the provisions of the law, terms of directors expire pursuant rules governing age limits, the occurrence of events preventing the director from exercising his or her functions (death, illness, etc.), the winding up or transformation of the company, adoption of a new system of corporate governance (dual system with a executive board and supervisory board) and finally by revocation or resignation.

Rules governing the modification of the company's bylaws

Amendments to the bylaws of the company in accordance with legal provisions are subject to the exclusive authority of the extraordinary general meeting.

As an exception to this rule, the Board of Directors may modify the bylaws in respect to amounts of share capital and the number of shares comprising the capital, after recording, in its first meeting following the end of the fiscal year, the number and amount of shares issued pursuant to the exercise of stock options.

In this context, the Board of Directors may also delegate authority to its Chairman to amend the bylaws and comply with legal formalities if it decides that it is preferable to not wait for the end of the fiscal year to proceed with these modifications.

Powers of the Board of Directors concerning notably issuing or repurchasing shares

The powers of the Board of Directors concerning share buyback programs are authorised and delegated by ordinary and extraordinary general meetings.

The ordinary general meeting authorises the Board of Directors, with the possibility to delegate said authority to its chairman to purchase shares of the company on or off

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market by any means representing not more than 10% of the company's capital stock (and subject to a maximum of 5% of the share capital for the purpose of acquiring shares for subsequent use as a means of payment or exchange in connection with mergers, demergers or contributions). This authorisation is granted for a maximum of eighteen (18) months and may also be used during takeover bids or tender offers.

The ordinary general meeting confers full powers to the Board of Directors with the possibility to further delegate this authority to the Chairman, to place all stock market orders, use any derivative instruments in compliance with applicable securities market regulations, conclude all agreements for the purpose of completing formalities, procedures and filings, and in general take all measures considered necessary.

The extraordinary general meeting authorises the Board of Directors to cancel on one or more occasions all or part of the company shares that may be held under this share buyback program not to exceed 10% of the share capital of the company per 24 month period.

In this context, it authorises the Board of Directors to allocate the difference between the purchase price of the cancelled shares and their nominal value to share premium accounts or revenue reserves and vests the Board with all powers to define the conditions and procedures of such cancellations and amend, as applicable the company's bylaws.

In the case of share issues the powers that may be granted to the Board of Directors shall be authorised by the general shareholders' meeting.

AGREEMENTS SUBJECT TO ARTICLES L.225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

The auditors' special report provides information on regulated agreements with related parties subject to the provisions of article L.225-38 of the French Commercial Code concluded in prior periods that remained in force in the last fiscal year.

In compliance with the provisions of article L. 225-40 of the French Commercial Code, we request that you approve this report.

We inform you that you may obtain from the date of the notice of the general meeting information providing a list of such agreements and their purposes concluded in the course of the normal operations of the company in the period under review and which, in light of their purpose or financial implications, are of a material nature for one of the parties.

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APPOINTMENT OF THE STATUTORY AUDITORS

We inform you that the appointments of the joint statutory auditors of the firm PricewaterhouseCoopers Audit represented by Mr. Philippe Guéguen and of the joint deputy auditor of Mr. Pierre Coll, expire at the end of the next General Meeting.

We inform you in accordance with the terms of article L.822-14 of the French Commercial Code that the appointments of auditors, Individual auditors and signing members of an auditing firm whose securities are listed for trading on a regulated market may not be renewed and their terms shall be limited to six years.

In consequence, we propose that you renew the appointment of the firm PricewaterhouseCoopers Audit, represented by Ms. Elisabeth L'Hermite as joint statutory auditor and appoint Mr. Yves Nicolas, as joint deputy auditor to replace Mr. Pierre Coll, for a period of six years that will expire at the end of the Ordinary General Meeting called to rule on the financial statements for the period ending 31 December 2015.

RENEWAL OF THE APPOINTMENTS AS DIRECTORS OF ALEXANDRE SAUBOT, ELISA SAUBOT, HADRIEN SAUBOT, MICHEL BOUTON AND JOSE MONFRONT

We inform you that the appointments of Mr. Alexandre Saubot, Ms. Elisa Saubot, Mr. Hadrien Saubot, Mr. Michel Bouton and Mr. José monfront, as Directors expire at the end of the next General Meeting.

We propose in consequence that you renew their appointments for a period of six years that will expire at the end of the Ordinary General Meeting to be called to rule on the annual financial statements for the fiscal year ending 31 December 2015.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

In accordance with the provisions of article L.225-68 of the French Commercial Code, the Chairman's report on the preparation and organisation of the Board's work and on the procedures of internal control implemented by the Company approved by the Board of Directors on 10 March 2010 is enclosed in Appendix 2 of this report.

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TABLE PRESENTED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE L.225-100 SUBSECTION 4 OF THE FRENCH COMMERCIAL CODE

In accordance with the provisions of article L.225-100 subsection 4 of the French Commercial Code we inform you that no delegation of authority or powers remaining in force have been granted by the general meeting to the Board of Directors in respect to capital increases, in compliance with articles L.225-129-1 and L.225-129-2 of said code.

PROPOSAL TO AUTHORIZE THE BOARD OF DIRECTORS TO PURCHASE AND SELL SHARES OF THE COMPANY

We propose that you grant a new authorisation to the Board of Directors that may in turn delegate said authority, as permitted by law, to purchase and sell shares of the company in compliance with the provisions of article L.225-209 of the French Commercial Code and articles 241-1 et seq. of the General Regulation of the AMF (Autorité des Marchés Financiers) the French financial market authority.

Acquisitions shall be made for the purpose, in decreasing order of priority to:

-Maintain an orderly market in the company's shares within the framework of a liquidity agreement based in compliance with the French association of investment firms' (AFEI or Association Française des Entreprises d'Investissement) code of conduct of 23 September 2008 and approved by the AMF (Autorité des Marchés Financiers) on 1 October 2008 and concluded with an investment service provider acting in an independent manner;

-Retain such shares for subsequent use as a means of payment or exchange in connection with financial transactions or acquisitions, in compliance with applicable regulations;

-Cancelling shares thus acquired, subject to adoption of the resolution authorising the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company;

-For employee stock option plans and other share grants in accordance with the provisions of article L.3332-1 et seq. of the French Labour Code or grants to employees and/or officers of the Company or companies covered by article L.225-197-2 of the French Commercial Code of shares of the Company or the grant of shares in connection with employee profit-sharing plans;

We inform you that the first two objectives set forth above should represent approximately 80% of the volume of transactions through the share buyback program, with the others combined approximately 20%.

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This authorisation would be granted under the following conditions:

-The total number of shares purchased by the Company under this authorisation may not exceed 10% of the share capital, as adjusted to take into account equity transactions that may affect this amount after the decision of the general meeting and excluding treasury shares. However, when shares are repurchased to promote the liquidity of the share in accordance with the conditions defined by the AMF General Regulation, the number of shares that may be taken into account to calculate this 10% limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid. Furthermore, the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution, may not exceed 5% of the share capital on the basis of the amount that may be adjusted to take into subsequent account equity transactions undertaken after the decision of the general meeting;

-The Company may only purchase its own shares for a price of not more than €20;

-The Company may sell, assign or transfer all or part of these shares thus acquired by any means.

The purchase of the shares, as well as their sale, assignment or transfer, maybe carried out on one or several occasions, at any time, including when public offerings are in progress, and by any means, notably on or off market, including through block trades, though excluding the use of derivatives. The maximum portion of the buyback program able to be executed through the purchase or sale of blocks of shares may cover the full amount of the authorisation.

The maximum amount of funds that may be authorised for this share buyback program shall be set at €58 707 692.

This authorisation shall be granted for eighteen months and would replace and supersede the prior authorisation granted by the combined shareholders' meeting of 2 June 2009.

We inform you that all information required by applicable laws and regulations as well as articles 241-1 of the AMF General Regulation will be contained in the description of the share buyback program that shall be drawn up and published prior to the implementation of this new program in accordance with article L.241-2 of the AMF General Regulation .

If you accept this proposal, we request that you grant full powers to the Board of Directors with the possibility to further delegate this authority as permitted by law, to place all stock market orders, conclude all agreements, procedures, filings and make all representations, and in general take all measures considered necessary.

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AUTHORISATION AND POWERS GRANTED TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF TREASURY SHARES

We propose that you authorise the Board of Directors to reduce the share capital by cancelling, on one or more occasions, all or part of the treasury shares that the Company may hold that were acquired through the share buyback program mentioned above subject to a limit of 10% of the share capital of the company for periods of 24 months.

In addition, we propose that you delegate to the Board of Directors all powers to proceed with this transaction in accordance with the provisions of article L.225-209, paragraph 7 of the French Commercial Code and allocate the difference between purchase price of the shares cancelled and their nominal value to premium accounts or revenue reserves.

This authorisation is granted for eighteen months and replaces and supersedes the prior authorisation granted by the extraordinary shareholders' meeting of 2 June 2009.

GROUP MANAGEMENT REPORT

Situation of the group of companies included in the consolidation

Companies included in the scope of consolidation are listed in the section «Results of subsidiaries» of this report.

The situation of these companies is presented in the table contained in the «Results of subsidiaries» section of this report.

Changes in the presentation of the consolidated financial statements accounts or methods of valuation applied in prior years

We inform you that the application of IFRS 8 – Operating Segments has resulted in a modification in the segment information by geographical sector presented by the Group, as specified in note 40 of the consolidated financial statements for fiscal 2009. The first-time application of this standard constitutes a change in accounting method.

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Review of consolidated operations

The Group's financial statements have been prepared in accordance with IFRS as adopted by the European Union

In 2009 the Group had sales of €202 million compared with €450.8 million in 2007, down 55.2%

The economic environment in 2009 remains very poor with a decline of about 75% in volume of the world market of powered access platforms compared to 2008. There was almost no investment by European and American major rental companies during 2009. Despite this, Haulotte Group maintained its market share in Europe and further expanded in Asia and America.

Europe still accounts for a significant share of total revenue (69.2%). However, the Rest of the World's contribution is growing (30.7% of sales in 2009, up from 23% in 2008).

Consolidated operating results declined sharply to a loss of €63.3 million compared with income of €50.6 million in 2008.This result included the important adverse effect of the lower volumes on the gross margin (-€76 million). Cost-cutting measures helped reduce selling and administrative expenses by €17.9 million.

For the year ended 31 December 2009, the Group registered a consolidated loss of €55.6 million compared with income of €31.9 million in 2008

Foreseeable changes in the Group's situation and outlook:

In the absence of any tangible signs of a market upturn in the beginning of this year, Haulotte Group has taken the actions to prepare for economic conditions comparable to those in 2009. In this uncertain context, priorities will continue to focus on reducing working capital requirements (further cutting inventories), containing fixed costs (new reorganisation measures for certain sales subsidiaries) while increasing commercial efforts in regions with greater potential.

Progress made or difficulties encountered

Refer to the section "Progress made or difficulties encountered"of this report.

Significant events between the closing date and the date of publication of the consolidated financial statements

Refer to the section "Important post-closing events" of this report.

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Objective and exhaustive analysis of changes in the business, earnings, financial position of company's subsidiaries and notably the debt situation relating to business volume and complexity

Refer to sections "Business sectors – Product offering – Market", "Progress made or difficulties encountered", "The company's exposure to risks concerning price, credit, liquidity and capital resources» and "Use of financial instruments - Company financial risk management objectives and policy" of this report.

Description of the main risks and uncertainties for the company's subsidiaries

Refer to the section "Key risks and uncertainties" of this report.

The exposure of subsidiaries to risk concerning price, credit, liquidity and capital resources

Refer to the section «The company's exposure to risks concerning price, credit, liquidity and capital resources» of this report.

Information on the use of financial instruments by consolidated companies - Objectives and policy of the company concerning the management of financial risks

Refer to the section "Use of financial instruments - Company financial risk management objectives and policy" of this report.

Research and development

Refer to the section "Research and development" of this report.

The Board of Directors

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FIVE-YEAR FINANCIAL SUMMARY

Closing date duration of fiscal year (months)	31/12/2009 12	31/12/2008 12	3112/2007 12	31/12/2006 12	31/12/2005 12
Share capital at year-end					
Common stock	4 054 916,97	4 236 851,32	4 476 420,00	4 456 704,20	4 439 416,80
Number of outstanding shares					
- ordinary shares	31 191 669	32 591 164	34 434 000	34 282 340	34 149 360
- treasury shares	1 837 823	3 239 418	828 292	99 446	92 757
- dividend-right shares	29 353 846	29 351 746	33 605 708	34 182 894	34 056 603
Maximum number of future shares to be created					
- from conversion of bonds					
- from subscription rights					
Operations and results					
Sales excluding taxes	98 339 133,74	358 964 658,18	528 156 057,00	414 176 101,40	305 944 067,42
Earnings before taxes, employee profit-sharing, depreciation and provisions	(20 963 067,40)	49 819 850,94	108 180 316,37	88 764 100,56	53 394 985,94
Corporate income tax	(14 229 161,09)	(8 257 021,52	22 930 420,83	23 864 202,71	14 634 512,00
Employee profit-sharing			1 976 596,00	2 310 715,00	1 580 765,38
Earnings after tax, employee profit-sharing,	20 306 514,99	37 372 487,26	32 134 510,84	14 227 752,10	8 570 887,81
depreciation and provisions	(27 040 421,30)	20 704 385,20	51 138 788,70	48 361 430,75	28 608 820,75
Distributed earnings		6 457 384,76	7 393 255,76	5 827 997,80	4 439 417,00
Earnings per share					
Earnings after taxes, employee profit-sharing, but before depreciation and provisions	(0,22)	1,78	2,42	1,83	1,09
Earnings after tax, employee profit-sharing, depreciation and provisions	(0,87)	0,64	1,49	1,41	0,84
Distributed dividends		0,22	0,22	0,17	0,13
Personnel					
Average number of employees for the fiscal year	682	701	584	536	477
Total payroll	16 868 511,24	23 424 039,96	19 097 380,59	17 038 324,73	13 770 950,28
Total benefits paid (social security, welfare benefits, etc.)	7 169 439,90	9 629 150,46	7 926 131,10	6 556 478,31	5 478 868,45