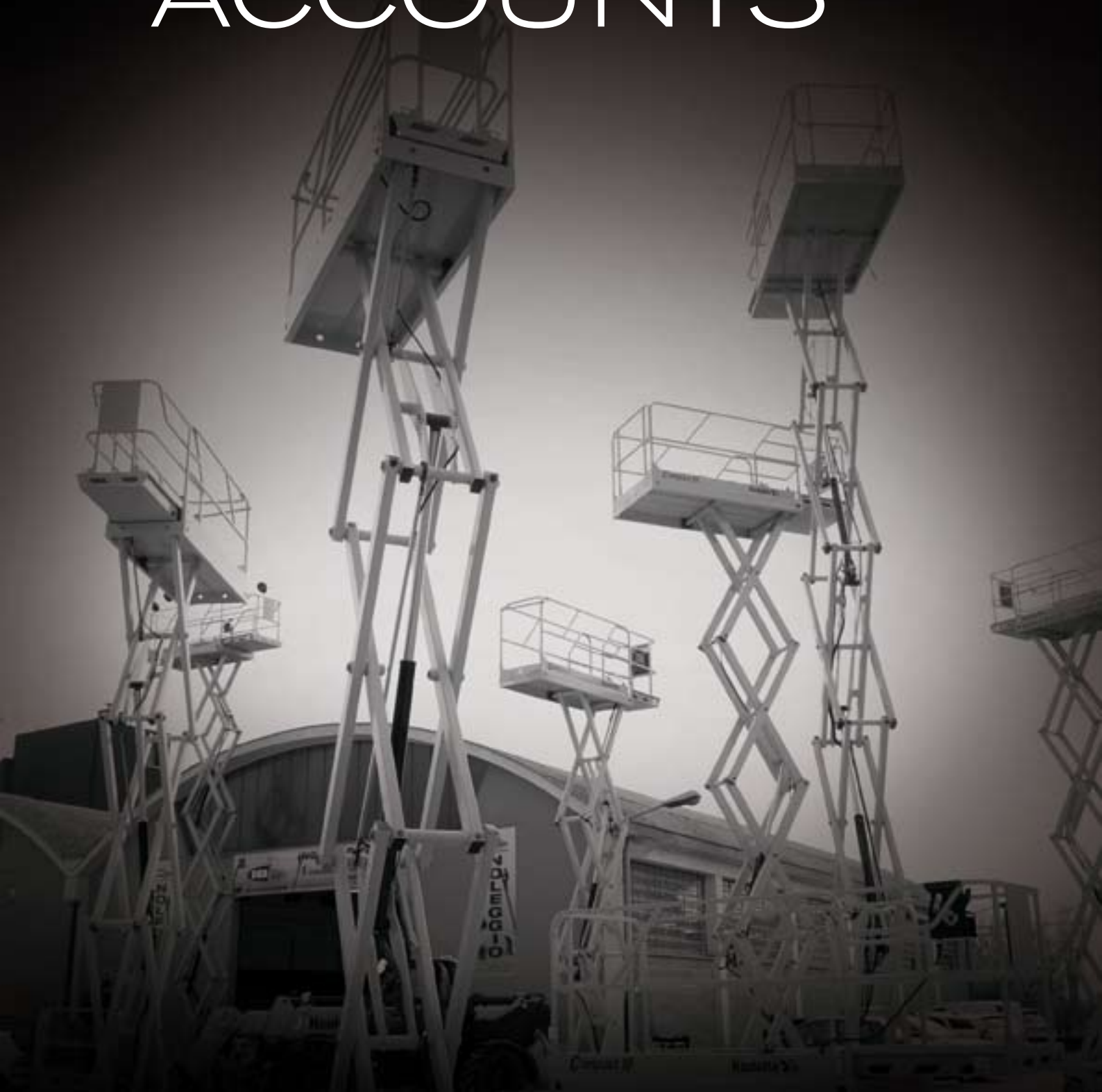


STATUTORY ACCOUNTS



STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

> Balance sheet - assets

In thousands of euros	31/12/2009	31/12/2008
INTANGIBLE ASSETS		
Software, patents	3 217	3 458
Goodwill	168	168
Other intangible assets	363	
PROPERTY, PLANT AND EQUIPMENT		
Land	1 466	1 466
Buildings	8 376	9 367
Machinery and equipment	6 059	8 787
Other PPE	740	916
Fixed assets in progress	69	161
FINANCIAL ASSETS		
Long-term investments	11 517	13 805
Receivables from investments	258 555	273 999
Other investments	11 832	15 385
Other financial assets	213	213
NON-CURRENT ASSETS	302 575	327 725
INVENTORIES AND WORK IN PROGRESS		
Raw materials	8 771	15 813
Work in progress	5 107	55 319
Finished products	53 835	1 702
Trade goods	4 248	5 337
Advances paid to suppliers	203	256
ACCOUNTS RECEIVABLE		
Accounts receivable and other assets	33 479	69 565
Other receivables	16 584	24 104
CASH AND CASH EQUIVALENT		
Marketable securities	20 010	10
Cash at hand	32 397	5 393
ACCRUALS		
Prepaid expenses	565	552
CURRENT ASSETS	175 199	178 051
Unrealised foreign exchange losses	11 010	23 686
TOTAL	488 784	529 462

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

> Balance sheet - shareholders' equity and liabilities

In thousands of euros	31/12/2009	31/12/2008
Share capital	4 055	4 237
Additional paid-in capital	91 953	91 945
Legal reserve	447	447
Other reserves	1 274	5 549
Retained earnings	125 912	111 666
PROFIT (LOSS) FOR THE YEAR	(27 040)	20 704
Regulated reserves	4 663	5 981
SHAREHOLDERS' EQUITY	201 264	240 529
Provisions for contingencies	12 685	26 389
Provisions for charges	936	861
COMMITMENTS AND CONTENGENCIES	13 621	27 250
LONG-TERM DEBT		
Bank borrowings	221 633	183 767
Miscellaneous loans and borrowings	478	408
TRADE PAYABLES AND OTHER CURRENT LIABILITIES		
Down payments received	1 261	4 422
Trade payables	16 016	40 141
Tax and employee-related liabilities	4 131	8 383
Fixed asset creditors	1 400	9
Other payables	23 012	17 563
TOTAL LIABILITIES	267 931	254 693
Unrealised foreign exchange gains	5 968	6 990
TOTAL	488 784	529 462

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

> Income statement

In thousands of euros	31/12/2009	31/12/2008
NET SALES	98 339	358 965
Change in inventories of finished goods and work in progress	2 364	42 724
Capitalised production	150	207
Operating grants	292	38
Reversal of depreciation and provisions, expense reclassifications	2 855	5 068
Other income	37	159
OPERATING INCOME	104 037	407 161
Purchase of trade goods	11 345	14 930
Change in inventories (trade goods)	1 090	(357)
Purchase of raw materials and other supplies	44 966	237 862
Change in inventories (raw materials and other supplies)	6 657	13 092
Other purchases and external charges	24 130	58 417
Taxes other than on corporate income	1 697	3 565
Wages and salaries	16 868	23 424
Social charges	7 169	9 629
Depreciation and amortisation of fixed assets	4 043	10 893
Increase in provisions for current assets	3 688	2 098
Provisions for contingencies and commitments	1 278	2 313
Other expenses	5	23
OPERATING EXPENSES	122 936	375 889
OPERATING PROFIT	(18 899)	31 272
Interest income	8 650	15 312
Reversals of provisions	39 191	29 598
Currency gains	2 909	4 450
Net proceeds from the disposal of marketable securities	147	369
FINANCIAL INCOME	50 897	49 729
Allowances for depreciation and reserves	54 234	57 327
Interest expenses	14 170	35 859
Currency losses	6 039	18 456
FINANCIAL EXPENSE	74 443	111 642
NET FINANCIAL INCOME (EXPENSE)	(23 546)	(61 913)
PRE-TAX PROFIT BEFORE EXTRAORDINARY ITEMS	(42 445)	(30 641)
Extraordinary income sundry business operations	199	143
Extraordinary income on transactions	1 867	47 622
Reversal of provisions, expense reclassifications	1 653	2 461
EXTRAORDINARY INCOME	3 719	50 226
Extraordinary expenses sundry business operations	127	1 074
Extraordinary expenses on transactions	1 743	4 614
Depreciation and provisions	674	1 450
EXTRAORDINARY EXPENSES	2 544	7 138
EXTRAORDINARY PROFIT (LOSS)	1 175	43 088
Corporate income tax	14 230	8 257
NET PROFIT (LOSS)	(27 040)	20 704

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

A. SIGNIFICANT EVENTS

Fiscal year 2009 was marked by a slowdown in sales, resulting in large part from the worldwide economic situation.

On 11 March 2009, the Board of Directors decided to cancel 1 401 595 treasury shares according to the authority previously granted by the general meeting of shareholders.

The cancellation of these shares initially valued at €14.6 million and subsequently reduced by €10.1 million on remeasurement resulted in a reduction in capital by €0.2 million and reserves by €4.3 million.

Haulotte Group SA also granted a debt waiver to its subsidiaries UK Platforms and Haulotte Australia for respectively £3.9 million and AUD6.5 million.

The total impact of these waivers (debt cancellation, exchange loss, reversal of provision) were recognised under net financial expense.

B. ACCOUNTING POLICIES

The parent company annual financial statements have been prepared in accordance with the laws and regulations applicable in France.

The accounting principles applied include:

- The conservatism principle;
- The going concern concept;
- The time period concept;
- The consistency principle.

B.1 Intangible fixed assets

Intangible assets are recognised at their purchase price, excluding financial charges.

Software is depreciated on a straight-line basis over 3 to 7 years according to its useful life.

Models and designs are depreciated over 5 years.

Goodwill is not subject to depreciation. An impairment is recorded when its value in use is less than the amount initially recognised.

Research and development expenditure is expensed in the period incurred

B.2 Property, plant and equipment

Property, plant and equipment are recognised in the balance sheet at purchase cost or production cost and do not include borrowing costs.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives from the date of acquisition or commissioning.

When a fixed asset includes components with material relative values and expected useful lives that differ from that of the fixed asset itself, specific component classifications are established. These components are subject to specific depreciation rates.

The basis for calculating the depreciation is the purchase price less the estimated residual value, when applicable, at the end of the expected useful life.

Useful lives are defined for each category of fixed asset. Useful lives are usually as follows:

	Depreciation period
Plant buildings:	
- main component	40 years
- other components	10 to 30 years
Building fixtures and improvements	
- main component	10 to 40 years
- other components	5 to 20 years
Plant equipment:	
- main component	10 to 15 years
- other components	4 to 40 years
Other installations and equipment	3 to 20 years
Transportation equipment	5 years
Computer and office equipment	3 to 10 years
Office furniture	3 to 10 years

Residual values and useful lives are reviewed at the end of each period and adjusted when necessary.

When the carrying value of an asset is lower than its recoverable amount, an impairment is immediately recorded reducing it to the recoverable value.

• **Regulated tax reserves**

Regulated reserves include additional tax depreciation allowances calculated by utilising the most favourable tax option.

B.3 Financial assets

• **Equity interests**

Equity interests are recognised in the balance sheet at historical cost, including acquisition costs such as transfer rights, commissions and fees directly attributable to the acquisition of the securities. These expenses are included in the cost of securities and are subject to special accelerated depreciation over five years.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

At year-end their balance sheet value is compared with their going concern value. This latter value is determined with reference to the share in net equity and the earnings prospects. When applicable, a provision for impairment is recorded. When necessary (notably for subsidiaries with negative net equity), additional provisions for impairment are recognised for intra-group assets (receivables, current accounts) and a provision for charges is recorded if.

• ***Current account advances and loans to subsidiaries***

These items are recognised at face value. Current account balances in foreign currencies are translated into Euros at the year-end exchange rate. Gains arising on translation are recognised as translation adjustments and recorded in the balance sheet. Losses arising on translation result in the recognition of a provision for accrued currency losses.

In the cases described above, current accounts are subject to impairment. There is no translation adjustment recorded for the impaired portion of foreign currency current accounts.

• ***Treasury shares***

Treasury shares acquired in connection with the Group's share buy-back program are recorded as financial assets. They are recognised at purchase price. At the end of the year, their carrying value is determined on the basis of the average share price for the last month of the year. If the carrying value is lower than the purchase price, an impairment loss is recorded for the difference.

B.4 Inventories and work in progress

Inventories are recorded at their acquisition cost. Inventories are measured on the basis of the average cost method according to the weighted average cost per unit.

Finished products and work in progress are recognised at production cost. This item includes direct costs and factory overhead estimated on the basis of normal production output and recognised according to the weighted average cost per unit.

When the gross value determined on the basis defined above is greater than the probable realisable value, a provision for impairment is recorded for the difference.

The net realisable value represents the sale price less costs necessary for its sale or reconditioning.

B.5 Receivables and payables

Receivables and payables are recognised at their face value.

A provision for impairment is recorded when their collection value, determined on a case-by-case basis, is estimated to be lower than the carrying value.

When there are indications of a real and serious collection risk, a provision for impairment is recorded.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

B.6 Translation of transactions in foreign currency

Transactions in foreign currencies are translated by the subsidiary at the exchange rate on the transaction date. At the end of the period, receivables and payables that have not been hedged are converted at the closing rate. The resulting translation differences for payables and receivables in foreign currency at the end of the period are recognised in the balance sheet under the cumulative translation adjustment. For unrealised foreign exchange losses a provision for contingencies is recorded.

Hedged receivables are translated at the hedge rate.

For receivables for which an impairment has been recorded, only the remaining balance is converted at the year-end exchange rate.

B.7 Marketable investment securities

Investment securities are initially recognised at their purchase price excluding incidentals. Investment securities were remeasured on the basis of market prices at 31 December 2009 and a provision was recorded where the resulting amount was lower than the purchase price.

B.8 Provisions

Provisions are recognised according to the best estimate of the expenditure required to settle a present obligation arising from a legal or constructive obligation at the balance sheet date. For contingent liabilities that cannot be reliably estimated, no provision is recorded. When applicable, risks incurred in consequence are described in the notes on contingencies and commitments.

• Disputes

Provisions are recorded for disputes for which the amount is determined on the basis of the management's best estimate and recommendations provided by its legal counsel.

• Warranty provision

The Group grants customers a manufacturer's warranty for its products. The estimated cost of warranties on products already sold is covered by a provision statistically calculated on the basis of historical data.

When necessary, a provision is recognised on a case-by-case basis to cover specific risks of warranty proceedings.

• Pension obligations

Haulotte Group applies the preferred method under French regulations to record pension and similar employee benefits. These obligations are measured using projected unit credit method with end-of-career wages, taking into account the provisions of the collective bargaining agreement and actuarial assumptions concerning staff turnover, mortality tables and the discount rate.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

B.9 Extraordinary items

Items that are exceptional in nature or that do not occur in the normal course of business are recognised under extraordinary profit or loss. In accordance with the French National Accounting Code (Plan Comptable Général) extraordinary profit or loss also includes allowances and reversals of special tax depreciation.

C. POST-CLOSING EVENTS

After breaching financial ratios in the second half of 2009, Haulotte Group reached an agreement with its banks setting new conditions applicable to the 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.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

1. FIXED ASSETS

1.1 Property, plant and equipment & intangible assets

Gross amounts

In thousands of euros	31/12/2008	Increases	Decreases	31/12/2009
Intangible assets ⁽¹⁾	7 327	840	1 130	7 037
Intangible assets in progress		363		363
Land	1 466			1 466
Building	4 566			4 566
General installations	10 172	101	257	10 016
Machinery and equipment ⁽²⁾	37 642	661	8 735	29 568
Other PPE	1 837	120	250	1 707
Fixed assets in progress	161	66	158	69
TOTAL	63 171	2 151	10 530	54 792

Accumulated depreciation and impairment

In thousands of euros	31/12/2008	Increases	Decreases	31/12/2009
Intangible assets	3 702	849	898	3 653
Land				
Building				
General installations	1 191	136		1 327
Machinery and equipment	4 179	788	88	4 879
Other PPE	28 854	1 977	7 322	23 509
Fixed assets in progress	921	293	248	966
TOTAL	38 847	4 043	8 556	34 334

⁽¹⁾The increase in intangible assets is primarily software. It also includes goodwill of K€168. The goodwill originated from the creation of Haulotte S.A. in 1995. No depreciation or impairment has been recorded. Research and development expenditure totalled K€5 115 for the fiscal year.

⁽²⁾Disposals of tangible fixed asset equipment held under a finance lease. At the end of the lease period, the equipment is sold to the lessee under the terms of the lease agreement.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

1.2 Financial assets

Financial assets break down as follows on a cost basis:

In thousands of euros	31/12/2009	31/12/2008
Equity investments ⁽¹⁾	16 049	14 216
Current accounts and loans to subsidiaries ⁽²⁾	298 976	289 918
Treasury shares ⁽³⁾	14 690	29 307
Other financial assets	214	214
	329 929	333 655

⁽¹⁾ Haulotte Group created one new subsidiary in China in the fiscal year.

⁽²⁾ Receivables from equity interests include €58 million with a maturity exceeding five years.

⁽³⁾ Treasury shares in the period decreased from 3 239 418 in 2008 to 1 837 823 in 2009 after cancellation of 1 401 595 treasury shares.

Changes in provisions break down as follows:

In thousands of euros	31/12/2008	Allowances	Reversals	Other changes ⁽³⁾	31/12/2009
Equity interests ⁽¹⁾	411	4 120			4 531
Current accounts and loans ⁽²⁾	15 919	26 085	1 584		40 420
Treasury shares ⁽³⁾	13 922	13 018	13 922	(10 159)	2 859
Total	30 252	43 223	15 506	(10 159)	47 810

⁽¹⁾ Haulotte Group increased provisions against its shares in the subsidiaries Haulotte France and Haulotte Cantabria.

⁽²⁾ Increased impairment charges for current account balances of subsidiaries, primarily those in the UK and US.

⁽³⁾ In March 2009 the company canceled 1 401 595 treasury shares. Provisions for these securities of €10.1 million were written back to income.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

2. INVENTORIES

In thousands of euros	Inventories at 31/12/2009			Inventories at 31/12/2008		
	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials	9 822	(1 051)	8 771	16 470	(657)	15 813
Work in progress	5 107		5 107	55 319		55 319
Finished goods	54 663	(828)	53 835	2 108	(406)	1 702
Trade goods	5 520	(1 273)	4 247	6 606	(1 269)	5 337
TOTAL	75 112	(3 152)	71 960	80 503	(2 332)	78 171

Inventories levels declined overall of 6.5% in 2009. Raw material inventories reduced by 37%. The change in work in progress and finished goods reflects the reclassification of inventories of standard new equipment into finished goods. This represents equipment that has not yet been subject to the final phase of finishing and customisation. In 2008, these items were included under work in progress and represented €42.6 million.

3. TRADE RECEIVABLES

In thousands of euros	31/12/2009	31/12/2008
Trade receivables	42 307	75 977
Provisions	(8 829)	(6 412)
NET TRADE RECEIVABLES	33 478	69 565

The decline in trade receivables is in line with the the decline in sales.

4. MATURITY OF RECEIVABLES AND PAYABLES

At 31 December 2009 all receivables had maturity dates of less than one year, with the exception of certain uncollectible receivables and arrears totalling K€6 890 (31 December 2008 : K€6 434) with uncertain maturities.

Payables at 31 December 2009 amounted to K€266 670 and breakdown as follows:

In thousands of euros	31/12/2009		
	<1 year	1 - 5 years	> 5 years
Bank borrowings	44 200	176 800	0
Miscellaneous loans and borrowings	258	220	0
Other trade payables	45 192		
TOTAL	89 650	177 020	0

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

In 2005 Haulotte Group secured a 7-year syndicated loan of €330 million, which was later reduced to €251 million via amendment. The loan was contracted at a variable rate of interest indexed to the Euribor. A swap agreement has been implemented to cover the risk of interest rate fluctuations. In 2009, €41 million of this credit line was drawn.

At 31 December 2009, the total amount drawn on this loan was €221 million (including a revolving credit of €17.5 million). Following the breach of the financial covenants during the second half of 2009, Haulotte Group reached an agreement with its bankers to set new credit conditions until 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 of €50 million.

The schedule presented above indicates the maturity dates for repayment installments under the new agreement.

Bills of exchange totalled K€1 312 at 31 December 2009 (31 December 2008: K€5 175).

Carry back:

The company has opted for the carry back of tax losses. As a result, an income tax receivable of K€13 911 was recognised.

5. ACCRUALS

In thousands of euros	31/12/2009	31/12/2008
<u>Prepaid expenses</u>	565	552
Operating expenses	565	552
Financial expenses		
<u>Deferred revenue</u>		
Operating income		
<u>Unrealized foreign exchange losses</u>	11 010	23 686
On receivables	10 992	23 594
On payables	18	92
<u>Unrealized foreign exchange gains</u>	5 968	6 989
On receivables	5 957	6 928
On payables	11	61

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

6. OTHER ACCRUED LIABILITIES AND INCOME

6.1 Accrued liabilities

In thousands of euros	31/12/2009	31/12/2008
Bank borrowings	641	539
Trade payables	7 128	13 503
Tax and employee-related payables	1 777	4 705
Other payables	91	287
TOTAL	9 637	19 034

6.2 Accrued assets

In thousands of euros	31/12/2009	31/12/2008
Trade receivables	2 562	4 986
Other receivables	669	1 794
Accrued interest	115	174
TOTAL	3 346	6 954

7. SHAREHOLDERS' EQUITY

Analysis of the share capital

	31/12/2008	Increase	Decrease	31/12/2009
Number of shares	32 591 164	2 100	1 401 595	31 191 669
Nominal value in euros	0,13	0,13	0,13	0,13
Share capital in euros	4 236 851	273	182 207	4 054 917

Statement of changes in shareholders' equity (in thousands of euros)

Shareholders' equity at 31/12/2008	240 529
Capital increase	
Elimination of treasury shares	(182)
Increase in additional paid-in capital	9
Decrease of reserves following the elimination of treasury shares	(4 275)
Dividends distributed	(6 458)
Change in regulated provisions	(1 318)
Profit of the period	(27 040)
Shareholders' equity at 31/12/2009	201 265

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

8. IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE FINANCIAL STATEMENTS

Company name - registered office	Legal form	Capital	Ownership interest (%)
SOLEM 93 Epinay sur Seine - France	S.A.S	490	55,97

9. BALANCE SHEET TRANSACTIONS WITH SUBSIDIARIES

Main balance sheet aggregates representing transactions with subsidiaries are:

In thousands of euros	31/12/2009	31/12/2008
Equity interests	16 049	14 216
Receivables from investments	298 976	289 918
Trade receivables and related accounts	31 304	64 170
Other receivables		7
Payables on fixed assets	(1 400)	(9)
Trade payables and equivalent	(4 390)	(2 788)
Other payables	(22 993)	(17 053)
NET RECEIVABLES (PAYABLES)	317 546	348 461

10. LIST OF SUBSIDIARIES AND AFFILIATES

For foreign subsidiaries, figures presented are translated at the year-end exchange rate except for revenue which is translated at the average exchange rate of the period.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

Company Registered office In thousands of euros	Share capital Shareholders' equity ⁽¹⁾	Ownership interest (%)	Reserves and retained earnings	Gross value Net value of shares	Advances	Dividends received	Revenue Net income
Haulotte Hubarbeitsbuhnen GmbH - Germany	26 11 634	100,00%	11 287	25 25	(8 707)	-	19 123 322
Haulotte France Sarl - 93 Epinay sur Seine - France	2 279 864	99,99%	4 592	2 309 864	7 758	-	32 375 (6 006)
Haulotte UK Ltd UK	1 (3 594)	100,00%	6 739	2 0	26 674	-	7 943 (10 301)
Haulotte Italia Srl Italy	100 9 692	99,00%	10 617	10 10	3 803	-	12 768 (1 025)
Haulotte Australia Pty Ltd - Australia	1 (2 122)	100,00%	(3 147)	1 0	15 499	-	8 978 924
Haulotte Iberica SL Spain	310 21 647	98,71%	43 732	3 3	42 178	-	15 744 (22 395)
Haulotte Netherlands BV Netherlands	20 (1 529)	100,00%	(1 060)	20 0	3 004	-	3 656 (488)
Haulotte US Inc USA	2 (11 807)	100,00%	468	3 0	54 167	-	12 123 (12 694)
Haulotte Scandinavia AB Sweden	10 13 665	100,00%	14 095	11 11	(8 231)	-	7 103 (424)
ABM Industries SAS 01 Beynost - France	520 1 294	100,00%	714	1 220 1 220	(495)	-	133 60
TELESCOPELLE SAS L'Horme - France	37 346	100,00%	251	37 37	(512)	-	115 59
Haulotte Brazil Brazil	20 (2 114)	99,98%	(4 310)	30 0	14 181	-	7 278 1 974
Haulotte Vostok Russia	66 (2 100)	100,00%	(239)	80 0	-	-	4 428 (1 884)
Haulotte Polska Poland	97 2 756	100,00%	3 185	105 105	-	-	3 786 (499)
Levanor Spain	100 959	91,00%	810	300 300	4 172	-	3 441 48
Nove Italy	103 73	100,00%	222	564 564	21 735	-	10 302 (252)
Haulotte Argès Romania	922 3 212	100,00%	5 021	1 100 1 100	19 189	-	2 949 (2 729)
Haulotte Cantabria Spain	7 903 (1 898)	99,96%	(5 381)	2 403 0	40 029	-	9 329 (4 420)
Haulotte Shangai China	578 5	100,00%	(363)	550 5	62	-	3 694 (216)
Haulotte Singapour Singapore	0 (4)	100,00%	551	1 0	4 162	-	5 440 (574)
Haulotte Argentine Argentina	9 (252)	95,00%	(34)	9 9	1 263	-	1 341 (242)
Haulotte Mexique Mexico	3 (1 532)	95,00%	(724)	3 0	3 734	-	584 (838)
Haulotte Middle East UAE	189 2 519	100,00%	1 296	199 199	3 705	-	8 721 1 068
Horizon Argentina	394 1 654	100,00%	1 082	5 065 5 065	-	-	2 441 190
Haulotte Changzou China	2 000 1 793	100,00%	-	2 000 2 000	-	-	- (214)

⁽¹⁾ including Capital and Income.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

11. CONTINGENCIES AND COMMITMENTS

	31/12/2008	Allowances	Provisions used in the period	Reversal of unused provisions	31/12/2009
Warranty provisions ⁽¹⁾	2 313	1 204	2 313		1 204
Provisions for foreign exchange losses	23 686	11 010	23 686		11 010
Provision for retirement commitments ⁽²⁾	861	75			936
Other contingencies and commitments ⁽³⁾	390	113		32	471
TOTAL	27 250	12 402	25 999	32	13 621
Recognised under operating profit		1 279	2 313		
Recognised under net financial income (expense)		11 010	23 686		
Recognised under extraordinary profit		113	32		
TOTAL		12 402	26 031		

(1) Warranty provisions

Haulotte Group provides a one year warranty on the sale of equipment. A statistical calculation is used to estimate the probable risks of warranty proceedings. When necessary, a provision is recognised on a case-by-case basis to cover specific risks of warranty provisions.

(2) Provisions for post-employment benefits

Haulotte Group records a provision to cover retirement indemnities and long-service awards in compliance with the principles described in note B9. For end-of-career indemnities, the principle adopted is a voluntary retirement of employees, therefore these indemnities are subject to social charges. This principle is based on a restrictive application by the company of the «National Interprofessional Agreement» (Accord National Interprofessionnel) of 11 January 2008 relating to «severance» benefits in compliance with the report on the interpretation of this agreement of 15 December 2008. This calculation method adheres to the provisions of the French Pension Reform Act of 21 August 2003 (Loi Fillon).

Commitments are estimated using the projected unit credit method with end-of-career wages, taking into account the provisions of the laws and collective bargaining agreements and actuarial assumptions concerning notably staff turnover, mortality tables and salary increases and inflation.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

The following assumptions are applied:

- discount rate: 5%
- salary increase rate: 2.0%
- social charges rate: 45%
- retirement age: between 60 and 65 depending on age and professional category of the employee

Actuarial gains and losses resulting from adjustments linked to experience and changes in actuarial assumptions are fully recognized in the income statement of the period in which the gains and losses are incurred.

At 31 December 2009, the provision was split between :

- K€700 for retirement indemnity provisions
- K€236 for long-service award provisions

(3) Lawsuit contingencies

All disputes are reviewed by management and referred to legal counsel for assessment. When necessary, provisions are recorded to cover estimated risks.

12. REVENUE

In thousands of euros	France	Export	Total
Sales of equipment	32 684	60 805	93 489
Sales of services	1 361	3 489	4 850
TOTAL	34 045	64 294	98 339

13. INCOME AND EXPENSE GENERATED THROUGH TRADING WITH SUBSIDIARIES & ASSOCIATES

In thousands of euros	31/12/09	31/12/08
Operating income	77 145	327 996
Financial income	8 247	14 674
Financial expense	593	1 071

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

14. EXCEPTIONAL ITEMS AND NET FINANCIAL INCOME

14.1 EXTRAORDINARY PROFIT (LOSS)

In thousands of euros	Expense 31/12/09	Income 31/12/09	Expense 31/12/08	Income 31/12/08
Fines and penalties	47		23	
Provisions for lawsuit contingencies	113	32	160	341
Other extraordinary income (expense)	240	749	1 051	143
Losses/gains from treasury shares			1 753	1
Proceeds from the disposal of PPE		1 317		3 075
Proceeds from the disposal of financial assets	1 583		2 861	44 547
Exceptional depreciation expenses	258			
Excess tax depreciation	303	1 621	1 290	2 120
TOTAL	2 544	3 719	7 138	50 227

14.2 NET FINANCIAL EXPENSE

In thousands of euros	Profit / (loss) 31/12/09	Profit / (loss) 31/12/08
Change in provisions for impairment of shares and advances to subsidiaries	(28 622)	5 037
Interest on bank overdrafts and current account loans	7 654	13 447
Interest on borrowings and bank fees	(5 266)	(6 674)
Foreign exchange: gains, losses, changes in provisions	9 547	(28 807)
Details by currency: USD	575	
GBP	5 978	
AUD	2 994	
	<u>9 547</u>	
Treasury shares	904	(17 966)
Income from marketable securities	147	369
Debt waivers	(8 097)	(27 305)
Late payment interest and discounts	187	(13)
TOTAL	(23 546)	(61 912)

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

15. BREAKDOWN OF TAX INCOME BETWEEN CURRENT INCOME AND EXTRAORDINARY PROFIT (LOSS)

In thousands of euros	Pre-tax income	Corporate income tax	After-tax income
Current income	(42 445)	(14 621)	(27 824)
Extraordinary profit (loss)	1 175	392	783
TOTAL	(41 270)	(14 229)	(27 041)

The breakdown of tax between current income and extraordinary income has been determined by applying the legal tax rate respectively to a current tax income and an extraordinary tax income.

16. DEFERRED TAXES

In thousands of euros	Basis	Deferred tax
Organic pension scheme	159	53
Provision for inventory losses	2 239	746
Provision for trade receivable losses	3 118	1 039
Provision for retirement liabilities	700	233
Deferred tax assets	6 216	2 072
Unrecognised tax deductions	(5 967)	(1 989)
Deferred tax liabilities	(5 967)	(1 989)
NET DEFERRED TAXES	249	83

17. TAX CONSOLIDATION

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2009 Haulotte France, ABM Industries, Telescopelle and Haulotte Services.

Under these tax sharing agreements, the income tax of entities is incurred by subsidiaries as if they are not included in a tax group.

18. FEES ALLOCATED TO DIRECTORS AND OFFICERS

Amount allocated to directors and officers expensed by the Group totalled K€696 in 2009 versus K€763 in 2008. This amount was invoiced by Solem S.A.S. for the services rendered on behalf of the Group by two executives. It includes expenses incurred by the executives on behalf of the Group.

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

In compliance with the agreement to provide general administrative and commercial assistance signed by Solem S.A.S. the cost of the services is subject to a 10% mark-up. No loans or advances have been granted to directors and officers. There are no other pension obligations or related commitments in favour of former executives.

19. OFF-BALANCE SHEET COMMITMENTS

19.1 FINANCE LEASE COMMITMENTS

Lease payments paid and received

In thousands of euros	Paid		Received	
	Fiscal year	Accumulated	Fiscal year	Accumulated
Property Equipment held by Haulotte Group SA	-	-	925	40 862
TOTAL	-	-	925	40 862

Lease payments payable

	Total	Less than 1 year	1-5 years	More than 5 years	Residual value at end the lease	Total commitment
Equipment held by Haulotte Group SA	22	8	14	-	4	26
<i>of which financial expense</i>	2			-		2
TOTAL	24	8	14	-	4	28
				Net commitment:		24

19.2 OTHER COMMITMENTS GIVEN

Commitments to cover lease payments

These represent commitments by the Company to financial institutions guaranteeing lease payments in the event of customer default.

In thousands of euros	31/12/2009	31/12/2008
< 1 year	4 562	10 421
1 - 5 years	6 921	15 266
> 5 years		
TOTAL	11 483	25 687

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

Risk pool

Risk pool commitments relate to the sale of aerial work platforms to financial institutions who lease Haulotte Group SA lifts to their end customers and for which Haulotte Group SA has given a guarantee limited to a certain percentage of the sales volume generated by such institutions. The off-balance sheet commitments include the share of lease payments outstanding by end customers for which Haulotte Group SA has stood guarantee:

of which given to Haulotte Polska K€ 1 000
of which given to Haulotte Ibérica K€ 6 846
of which given to Haulotte UK K€ 266
of which given to Haulotte USA K€ 1 241
of which given to Haulotte Australia K€ 764
of which given to Haulotte Italia K€ 1 211
of which given to Haulotte Singapore K€ 174

In thousands of euros	31/12/2009	31/12/2008
< 1 year	4 600	5 992
1 - 5 years	6 902	8 849
> 5 years		
TOTAL	11 502	14 841

Repurchase commitments given to institutions providing financing to customers

This concerns commitments given by the Company to financial institutions to substitute for customers who do not exercise their purchase option.

of which K€ 667 given to Haulotte France
of which K€ 8 901 given to Haulotte Ibérica
of which K€ 1 647 given to Haulotte Polska

In thousands of euros	31/12/2009	31/12/2008
< 1 year	1 593	207
1 - 5 years	9 622	11 160
> 5 years		51
TOTAL	11 215	11 418

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

19.3 DEBT GUARANTEED BY COLLATERAL

In thousands of euros	31/12/2009	31/12/2008
Bank borrowings		
Goodwill, business assets and shares in Haulotte UK pledged as collateral	221 633	183 767

19.4 CONTINGENT LIABILITIES

In the first-half of 2008, a supplier submitted a claim against Haulotte Group for €7 million for breach of contract for the supply of raw materials. No provision was set aside for this claim as the company considered that it was without legal and financial merit and was not justified by the supplier.

20. COMMITMENTS RECEIVED

In thousands of euros	31/12/2009	31/12/2008
Commitment received by Télescopelle as a beneficiary of a debt waiver accompanied by a «better fortunes» clause.	1 450	1 450
Commitment received by UK Platforms as a beneficiary of a debt waiver accompanied by a «better fortunes» clause for £4,085,000 or €5,911,000.	5 911	5 911
Commitment received by UK Platforms as a beneficiary of a debt waiver accompanied by a «better fortunes» clause for £3,900,000 or €4,330,000.	4 330	

21. INFORMATION ON EMPLOYEE STOCK OPTION PLANS

	Plan 3
Board of Directors' meeting date	8-july-03
Number of options initially granted	159 200
Number of shares available for subscription	27 050
Commencement of the option exercise period	8-july-07
End of the option exercise period	8-july-10
Exercise or purchase price	4,19 €
Number of shares subscribed at 31/12/2009	84 800

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

22. WORKFORCE

	31/12/2009	31/12/2008
Managers	198	182
Office employees, technicians	139	128
Workers	345	375
TOTAL	682	685

23. TRAINING BENEFITS

At 31 December 2009 rights vested but not exercised by Haulotte Group SA in connection with the French individual training entitlement benefit (DIF) represented K€318 for a total of 41 316 hours.

24. FOREIGN EXCHANGE RISKS

Foreign exchange risk of the company is primarily concerned with receivables in US dollars, Australian dollars and pound sterling. A portion of this exposure is covered by forward purchases of the relevant currencies.

Significant receivables (net of provisions), payables and commitments in foreign currency that are not hedged.

Foreign exchange exposure In thousands of euros	Currencies				
	AUD	AED	GBP	USD	PLN
BALANCE SHEET					
Receivables ⁽¹⁾	15 986		59 953	64 358	
of which Group receivables	15 986		59 340	59 764	
of which non-Group receivables			613	4 594	
Payables ⁽²⁾	59			1 108	4
of which Group payables	59			755	
of which non-Group payables				353	4
OFF-BALANCE SHEET COMMITMENTS⁽³⁾					
Group commitments received	764		1 793	1 272	
Non-group commitments received					

⁽¹⁾ Financial receivables, trade receivables.

⁽²⁾ Borrowings, trade payables, other.

⁽³⁾ This concerns commitments to cover lease payments and risk pools mentioned in section 19.2

STATUTORY ACCOUNTS

Fiscal year ended 31 December 2009

Significant receivables, payables and commitments in foreign currency that are hedged.

Foreign exchange exposure In thousands of euros	Currencies				
	AUD	AED	GBP	USD	PLN
Balance sheet					
Receivables ⁽¹⁾				15 173	
of which Group receivables				15 173	
of which non-Group receivables					

⁽¹⁾ Financial receivables, operating receivables.

Receivables in US dollars are hedged at an exchange rate of €1.1204.

25. INTEREST-RATE RISKS

The company has purchased interest rate swaps with maturities of 1 to 5 five years. The market valuation of these financial instruments represented a negative position of K€5 879.

26. STATEMENT OF CASH FLOWS

	2009
Net income	(27 040)
Allowances for depreciation and provisions	17 070
Proceeds from disposals, net of tax	(266)
Operating cash flow	(10 236)
Change in cash flow from operating activities	64 993
Net cash provided by operating activities	54 757
Acquisitions of PPE and intangible assets	(41 107)
Proceeds from disposals of fixed assets, net of tax	1 867
Changes in payables on fixed assets	-
Net cash used by investing activities	(39 240)
Debt issues	50 761
Repayment of debt	(9 338)
Cash capital increases	9
Dividends paid to shareholders	(6 457)
Net cash provided by financing activities	34 975
Net change in cash and cash equivalents	50 492
Opening cash and cash equivalents	(15 584)
Closing cash and cash equivalents	34 907

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Haulotte Group SA

L'Horme

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying financial statements of Haulotte Group SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to Notes C and 4 to the financial statements which describe the new agreement entered into with the banks between the end of the reporting period and the date of the approval of the financial statements subsequent to the Company's failure to comply with the financial ratios, as well as the new repayment schedule for the bank borrowings provided for in the agreement.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

II. JUSTIFICATION OF OUR ASSESSMENTS

Accounting estimates used for the preparation of the financial statements for the year ended 31 December 2009 were made in the context of continuing difficulty in assessing the economic outlook. Against this backdrop and in accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

Shares in subsidiaries, receivables from investments, treasury shares and trade receivables have been valued in accordance with the methods described in Notes B.3 and B.5 to the financial statements. Our work consisted in reviewing the approach used by the Company and assessing the reasonableness of the resulting estimates.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, and, in respect of the accuracy and fair presentation of this information, we have the following observation to make: the Company has not provided the required information concerning non-executive corporate officers.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Lyon and Paris, 30 April 2010

The Statutory Auditors

PricewaterhouseCoopers Audit

Elisabeth L'hermite

Hoche Audit

Dominique Jutier