Haulotte GROUP

More than lifting

CONSOLIDATED FINANCIAL STATEMENTS 2012

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> CONSOLIDATED BALANCE SHEET - ASSETS

In thousands of euros

	Note	31/12/2012	31/12/2011*
Goodwill	9	20 079	20 770
Intangible assets	10	8 524	6 605
Property, plant and equipment	11	86 887	95 134
Financial assets	12	1 998	966
Deferred tax assets	28	18 494	14 839
Trade receivables from financing activities exceeding one year	14	11 142	15 987
Other non current assets	15	-	26 059
NON CURRENT ASSETS (A)		**147 124**	**180 360**
Inventory	13	105 825	132 757
Trade receivables	14	84 859	82 191
Trade receivables from financing activities	14	5 947	6 957
due in less than one year	15	11 329	20 507
Other assets	19	16 558	16 387
Cash and cash equivalents	20	1 102	1 268
CURRENT ASSETS		**225 620**	**260 067**
TOTAL ASSETS (A+B)		**372 744**	**440 427**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Notes 1 to 49 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> CONSOLIDATED BALANCE SHEET - LIABILITIES

In thousands of euros	**Note**	**31/12/2012**	**31/12/2011***
Share capital	21	4 058	4 058
Share premiums	21	92 043	92 043
Consolidated reserves and income		77 221	84 805
SHAREHOLDERS'EQUITY BEFORE MINORITY INTERESTS (A)		**173 322**	**180 906**
Minority interests **(B)**		(421)	(183)
TOTAL EQUITY		**172 901**	**180 723**
Long-term borrowings	22	10 084	10 144
Deferred tax liabilities	28	10 886	9 837
Provisions	24	2 916	2 150
NON-CURRENT LIABILITIES (C)		**23 886**	**22 131**
Trade payables	26	34 519	53 108
Other current liabilities	27	24 147	22 790
Current borrowings	22	108 688	148 252
Provisions	24	7 629	10 429
Financial derivative instruments	20	974	2 994
CURRENT LIABILITIES (D)		**175 957**	**237 573**
LIABILITIES AND SHAREHOLDERS'EQUITY (A+B+C+D)		**372 744**	**440 427**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Notes 1 to 49 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> CONSOLIDATED INCOME STATEMENT

In thousands of euros

	Note	31/12/2012		31/12/2011*	
Sales and revenue	29	355 741	100%	306 922	100%
Cost of sales	30	(265 661)	-74.7%	(236 957)	-77.2%
Selling expenses		(26 078)	-7.3%	(24 127)	-7.9%
General and administrative expenses	31	(48 269)	-13.6%	(48 746)	-15.9%
Research and development expenditures	32	(4 248)	-1.2%	(4 074)	-1.3%
Exchange gains and losses	33	(4 777)	-1.3%	219	0.1%
CURRENT OPERATING INCOME		**6 708**	**1.9%**	**(6 763)**	**-2.2%**
Other operating income and expenses	36	(5 959)	-1.7%	2 184	0.7%
OPERATING INCOME		**749**	**0.2%**	**(4 579)**	**-1.5%**
Cost of net financial debt	37	(6 983)	-2.0%	(5 947)	-1.9%
Other financial income and expenses		46	0.0%	8	0.0%
INCOME BEFORE TAXES		**(6 188)**	**-1.7%**	**(10 518)**	**-3.4%**
Income tax	38	(1 276)	-0.4%	1 549	0.5%
NET INCOME		**(7 464)**	**-2.1%**	**(8 969)**	**-2.9%**
attributable to equity holders of the parent		(7 169)	-2.0%	(8 713)	-2.8%
attributable to minority interests		(295)	-0.1%	(256)	-0.1%
Net earnings per share	40	**(0.24)**		**(0.30)**	
Net diluted earnings per share	40	**(0.24)**		**(0.30)**	

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Notes 1 to 49 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	**Note**	**31/12/2012**	**31/12/2011***
Profit / (loss) for the year		(7 464)	(8 969)
Currency translation differences for cash items relating to net investments in foreign operations		(224)	3 919
Currency translation differences from financial statements of subsidiaries		146	3 255
Actuarial gains and losses on employee benefits	25	(675)	(18)
Income tax	28	309	(2 384)
Net income / (expense) recognised directly in equity		**(444)**	**4 772**
Total consolidated comprehensive income		**(7 908)**	**(4 197)**
attributable to equity holders of the parent		(7 606)	(3 938)
attributable to minority interest		(302)	(259)

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Notes 1 to 49 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Note	31/12/2012	31/12/2011*
Net income		**(7 464)**	**(8 969)**
Depreciation and amortisation	34	17 699	18 442
Change in provisions (except for current assets)	34	(2 503)	1 477
Change in financial derivative instruments fair value	20	(1 854)	(1 126)
Unrealised foreign exchange gains and losses	33	3 295	1 315
Change in deferred taxes	38	(2 364)	(3 549)
Gains and losses from disposals of fixed assets		(753)	(897)
Other movement		90	-
GROSS CASH FLOWS FROM CONSOLIDATED OPERATIONS		**6 146**	**6 693**
Change in operating working capital	42	16 859	8 755
Change in receivables from financing activities	43	729	1 141
Change in other non current assets	15	26 059	-
CASH FLOWS FROM OPERATING ACTIVITIES		**49 793**	**16 589**
Purchases of fixed assets	10/11	(20 032)	(14 756)
Proceeds from the sales of fixed assets, net of tax	10/11	4 956	2 819
Change in payables on fixed assets		(16)	(254)
CASH FLOWS FROM INVESTING ACTIVITES		**(15 092)**	**(12 191)**
Loans issues	22	16 810	18 311
Borrowings repayments	22	(48 898)	(42 521)
NET CHANGE IN CASH AND CASH EQUIVALENT		**(32 088)**	**(24 210)**
VARIATION DE TRÉSORERIE		**2 613**	**(19 812)**
Opening cash and cash equivalents	44	11 067	30 789
Effect of exchange rate changes		(213)	90
Other changes**		678	
Closing cash and cash equivalents	44	14 145	11 067
NET CHANGE IN CASH AND CASH EQUIVALENT		**2 613**	**(19 812)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

** The other changes correspond mainly to the reclassification of the revolving credit line of the subsidiary BilJax from bank overdrafts to financial debts following the renegotiations conducted with the banks – see note 22.

Notes 1 to 49 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Share premiums	Consolidated reserves**	Profit for the period	Treasury shares	Translation differences	Actuarial gains and losses on employee benefits	Group share	Minority Interests	Total
Balance at 1 January 2011	**4 058**	**92 042**	**204 195**	**(41 928)**	**(55 655)**	**(17 066)**	**-**	**185 650**	**75**	**185 725**
Change in capital of the parent company										
Appropriation of 2010 net income			(41 928)	41 928						
Dividends paid by the parent company										
Net income for the period				*(8 713)*				*(8 713)*	*(256)*	*(8 969)*
Net income / (expense) recognised directly in equity						*4 787*	*(12)*	*4 775*	*(3)*	*4 772*
Total consolidated comprehensive income				(8 713)		4 787	(12)	(3 938)	(259)	(4 197)
Other changes			(806)					(806)	1	(805)
Balance at 31 December 2011*	**4 058**	**92 042**	**161 465**	**(8 713)**	**(55 655)**	**(12 279)**	**(12)**	**180 906**	**(183)**	**180 723**
Change in capital of the parent company										
Appropriation of 2011 net income			(8 713)	8 713						
Dividends paid by the parent company										
Net income for the period				*(7 169)*				*(7 169)*	*(295)*	*(7 464)*
Net income / (expense) recognised directly in equity						*6*	*(443)*	*(437)*	*(7)*	*(444)*
Total consolidated c omprehensive income				(7 169)		6	(443)	(7 606)	(302)	(7 908)
Other changes			22					22	64	86
Balance at 31 December 2012	**4 058**	**92 042**	**152 774**	**(7 169)**	**(55 655)**	**(12 273)**	**(455)**	**173 322**	**(421)**	**172 901**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

** Consolidated reserves primarily consist of retained earnings.

Notes 1 to 49 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

> NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

NOTE 1 - GENERAL INFORMATION

Haulotte Group S.A. manufactures and distributes through its subsidiaries (forming the "Group") people and material lifting equipment.

Haulotte Group also operates in the rental market for this equipment.

Haulotte Group S.A. is a société anonyme (a French limited liability company) incorporated in Saint-Etienne (France) with its registered office in L'Horme. The company is listed on Euronext Paris – Eurolist Compartment B (Mid Caps).

The annual consolidated financial statements for the period ended 31 December 2012 and the notes thereto were approved by the Board of Directors of Haulotte Group SA on 6 March 2013. Figures are expressed as thousands of euros.

NOTE 2 - MAJOR EVENTS OF THE FISCAL YEAR

2.1 Renegotiation of the syndicated credit facility

In the first half, the Group entered into discussions with its banking syndicate to renegotiate the repayment schedule and terms of the syndicated credit facility for which the final payment was initially set for July 2013.

These discussions resulted in the signature on 30 July 2012 of a new amendment to the initial loan agreement extending the date of the final instalment to July 2015 and redefining the repayment schedule (detailed disclosures on these items are presented in note 22).

The instalment of July 2012 for €22.5 million was repaid in accordance with the contractual terms.

In light of the acceleration clause in the event a breach of certain financial ratios provided for in the syndicated loan agreement and the fact that certain of these ratios were breached at 31 December 2012, the full outstanding amount owed under this syndicated loan agreement was presented under short-term debt.

Discussions were initiated with the Group's financial partners in the first quarter of 2013 that are expected to result in an agreement making it possible to maintain the terms of the credit facility granted to the Group.

2.2 Assignment of carry-back receivables of Haulotte Group SA

On 17 December 2012, Haulotte Group SA assigned to a financial institution the receivables for a carry-back of a corporate income tax of €26.1 million. In exchange for this assignment, the company received €23.3 million in cash. Detailed information on this arrangement is presented in note 16.1.

2.3 Implementation of a factoring agreement at Haulotte France

In March 2012, a factoring agreement for the assignment of trade receivables was concluded between Haulotte France Sarl and GE Capital. This agreement was signed for a term of one year. The maximum amount of receivables that may be assigned under this agreement is €12.5 million. As this receivables assignment did not meet the criteria for derecognition, receivables thus assigned were maintained on the balance sheet for an amount of €10.6 million at 31 December 2012. This transaction is described in note 16.2.

2.4 Reorganisation of the Group's manufacturing operations

In the period, Haulotte Group has reorganised its manufacturing operations that resulted in particular in the closure of its Spanish plant. This reorganisation had an impact on French sites with the adoption of a voluntary redundancy plan and the relocation of the manufacturing operations for telehandlers equipment. The total cost of this reorganisation amounted to €4.7 million and was recognised under «Other operating income and expenses».

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied to prepare the consolidated financial statements are described below. Except where specifically stated otherwise, these policies are consistently applied to all financial periods presented herein.

3.1 Statements of compliance

As a publicly traded company listed in the European Union and in accordance with EC regulation 1606/2002 of 19 July 2002, the Group's consolidated financial statements for fiscal year ended 31 December 2012 have been prepared according to IFRS (International Financial Reporting Standards) as adopted by the European Union on 31 December 2012.

These standards can be consulted at the website of the European commission (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm). They include standards approved by the International Accounting Standards Board (IASB), i.e. IFRS, International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements have been prepared according to the historical cost convention, with the exception of certain items, notably assets and liabilities measured at fair value.

Amendments and interpretations of standards in issue taking effect in 2012

The application as of 1 January 2012 of the amendments to IFRS 7 has resulted in additional disclosures presented by the Group, in particular below in note 17.

New standards, amendments or interpretations applicable in advance

The Group adopted in advance on 31 December 2012 the Revised IAS 19 – Post-employment benefits. The consequences of this early adoption are presented in notes 4.9 and 25, and for the Group are mainly as follows:

- with respect to defined contribution post-employee benefits (mainly retirement severance benefits paid in France for Haulotte Group), the immediate recognition of actuarial gains and losses previously recognised in profit or loss, under other comprehensive income along with additional information to be provided in the notes;

- with respect to short-term benefits, a new definition for benefits to be fully settled within 12 months of the closing date of the fiscal year in which they were provided (and no longer under «current payables») with no impact for the Group.

At this stage, the Group does not anticipate or plan to apply other new standards or interpretations adopted by the European Union at the closing date applicable only for periods opened on or after 1 January 2012 as listed below:

Standard or interpretation	Nature of change expected on accounting principles and methods	Date on which application of the standard or interpretation becomes mandatory	Estimated impact of Haulotte Group's first-time application
IAS 1, Presentation the financial statements: Amendments - Presentation of other comprehensive income (06/11).	New terminology for the income statement and the statement of comprehensive income, separating other comprehensive income items into two categories: a) items that will not be subsequently reclassified under net income and b) items that may subsequently be reclassified under net income when certain conditions are met.	Fiscal year ended 31 December 2013.	Only an impact on the presentation, with no impact on net income or other comprehensive income or comprehensive income.
IAS 12 Deferred taxes - recovery of underlying assets (12/10) with the corresponding cancellation of SIC 21 Recovery of revalued non-depreciable assets.	According to the modifications, the carrying value of investment properties measured according to the fair value model in compliance with IAS 40, Investment properties, is considered to be fully recovered by sale for the purpose of measuring deferred taxes unless this assumption is refuted.	Fiscal year ended 31 December 2013.	No impact expected for Haulotte Group.
Amended IAS 27 - Individual financial statements (05/11).	This standard establishes the principles for preparing individual financial statements.	Fiscal year ended 31 December 2014.	No impact expected for Haulotte Group.
Amended IAS 28 - Investments in associates and joint ventures (05/11).	This revised standard sets forth the principles for recognising associates and joint ventures that must be accounted for under the equity method in accordance with IFRS 11 (see below).	Fiscal year ended 31 December 2014.	No impact expected for Haulotte Group.
IAS 32 Offsetting financial assets and liabilities (12/11).	Changes for this standard provide details for the application of provisions for offsetting financial assets and liabilities. In particular, its provisions specify the meaning of the terms "currently having a legally enforceable right of set-off," and "simultaneous realisation and settlement".	Fiscal year ended 31 December 2014.	No impact expected for Haulotte Group.

IFRS 7 Offsetting financial assets and liabilities (12/11).	IFRS 7 modifications require that entities disclose information on enforceable master netting agreements or similar arrangements (such as guarantee agreements) for financial instruments hedged under such agreements or arrangements.	Fiscal year ended 31 December 2013.	No impact expected for Haulotte Group.
IFRS 1 - Severe hyperinflation and removal of fixed dates for first-time adopters (12/10).	The First Amendment replaces reference to the fixed date of "1 January 2004" by "IFRS transition date", thus eliminating the requirement for first-time adopters to restate certain information prior to the transition date. The second amendment indicates how an entity manages the presentation of IFRS financial statements after a period in which the company was no longer able to do so because its functional currency was subject to severe hyperinflation.	Fiscal year ended 31 December 2013.	No impact expected for Haulotte Group.
IFRS 10 Consolidated financial statements (05/11).	This standard establishes the principle whereby control is the basis for consolidation. Furthermore, IFRS 10 includes a new definition of control that includes three criteria: a) power over the investee, b) exposure or rights to variable returns from its involvement with the investee, c) the ability of the investor to use its power over the investee to affect the amount of the investor's returns. Exhaustive information has been added to IFRS 10 for the handling of complex cases.	Fiscal year ended 31 December 2014.	No impact expected for Haulotte Group.
IFRS 11 - Joint arrangements (05/11).	The standard covers the classification of a joint arrangements in which two parties or more exercise joint control. Under its provisions, joint-arrangements must be recognised using the equity method.	Fiscal year ended 31 December 2014.	No impact expected for Haulotte Group.
IFRS 12 - Disclosure of interests in other entities (05/11).	This standard concerns required disclosures and applies to entities with interest in joint arrangements, associates or unconsolidated structured entities. In general, IFRS 12 requires more detailed information than is required by current standards.	Fiscal year ended 31 December 2014.	Analysis of potential impacts on the Group's financial statements is in progress.

IFRS 13 - Fair value measurement (05/11).	IFRS 13 brings together in one standard a single, unified guidance for the definition of fair value and the related disclosures requirements. This standard notably defines fair value, establishes a framework for its measurement and describes the disclosures required on fair value measurement. Its scope of application is broad. IFRS 13 applies both to financial instruments and non-financial items for which other IFRSs require or permit fair value measurements and related disclosures, except under specific circumstances. In general, IFRS 13 requires more detailed information than is required by current standards.	Fiscal year ended 31 December 2013.	Management considers that the application of the new standard may have an impact on certain amounts presented in the financial statements and result in a more detailed presentation of information in these financial statements.
IFRIC 20 - Stripping costs in the production phase of a surface mine (10/11).	This standard applies to the waste removal costs of a surface mine incurred during the mine's operating phase.	Fiscal year ended 31 December 2013.	No impact expected for Haulotte Group that does not engage in any activity of this nature.

New standards and interpretations not yet adopted by the European Union

The Group does not anticipate or plan at this stage early adoption of other new standards or interpretations published by IASB or IFRIC but not yet adopted by the European Union at the closing date.

In particular, the Group does not foresee or plan at this stage early adoption of the following standards that may be anticipated as they represent interpretations of texts already adopted by the European Union.

Standard or interpretation	Nature of change expected on accounting principles and methods	Date on which application of the standard or interpretation becomes mandatory	Adoption expected by the European Union	Estimated impact of Haulotte Group's first-time application
IAS 1, Presentation the financial statements: Amendments (05/12)* Comparative information.	IAS 1 requires that an entity that changes its accounting methods on a retrospective basis or proceeds with retrospective restatements or reclassifications presents a statement of financial position established at the beginning of the previous period (third statement of financial position).	Fiscal year ended 31 December 2013	2013 first quarter	The Group will apply this principle and present a third statement of financial position in the case of a retrospective change in accounting method or restatement.
IAS 16 - Property, plant and equipment: Amendment(05/12)* Classification of servicing equipment	Modifications specify that spare parts, stand-by equipment and servicing equipment be recognised in accordance with IAS 16 if they meet the definition of property, plant and equipment. Otherwise, they are to be classified under inventory.	Fiscal year ended 31 December 2013	2013 first quarter	A precise analysis of potential impact is in progress though management does not anticipate any material impacts for Haulotte Group.
IAS 32 - Financial instruments: presentation (05/12)*: Taxes on distributions to holders of equity and costs of an equity transaction	Modifications specify that taxes on income related to distributions to holders of equity and the cost of an equity transaction shall be recognised in accordance with IAS 12, Income taxes.	Fiscal year ended 31 December 2013	2013 first quarter	No impact expected for Haulotte Group

IFRS 1 - First-time adoption of IFRS : Amendments - Government loans (03/12); Amendments (05/12) - Repeated application of IFRS 1 - Application of IAS 23 - Borrowing costs, on the transition date or a prior date.	These amendments provide precisions on the recognition of government loans in particular, and other items within the framework of a first-time adoption of IFRS.	Fiscal year ended 31 December 2013.	2013 first quarter.	No impact expected for Haulotte Group.
Amendments IFRS 10, IFRS 11, IFRS 12 - Guidance for first-time adoption (06/12)*.	These items provide guidance for the first-time adoption of IFRS 10, IFRS 11 and IFRS 12.	Fiscal year ended 31 December 2013.	2013 first quarter.	As indicated in the previous paragraph, an analysis of impacts is in progress, in particular for IFRS 12.

*Within the framework of the publication of annual improvements – 2009-2011 cycle in May 2012.

3.2 Critical accounting estimate and judgments

3.2.1 Critical accounting estimates and assumptions

In preparing financial statements, the Group will resort to estimates and assumptions about future events. Such estimates are based on past experience and other factors considered reasonable in view of current circumstances. Actual results may differ from these estimates.

The main sources of uncertainty concerning key assumptions and assessments are :

- estimated impairment of goodwill (cf. note 4.1),

- the assessment of counterparty risk on trade receivables: the measurement of the recoverable value of trade receivables (cf. note 4.6) is based on the Group's ability to repossess equipment in the event of customer default and the ability to sell equipment at a determined value. This resale value is estimated on the basis of second-hand equipment sales by the Group over several years. The coherence of these amounts with the second-hand equipment quoted values is also verified.

Today, there is no information that would warrant calling into question the recoverable value used by the Group, and notably listed values for second-hand equipment quoted. However, deterioration in the future of market on second-hand quoted values may result in the recognition of additional impairment loss for trade receivables,

- net realisable value of inventory (cf. note 4.5): the net realisable value of work in progress and finished goods at 31 December 2012 determined on the basis of actual recorded transactions depending on each equipment's production year, remains significantly higher than the cost price,

- the assessment of the preferential nature of guarantees for residual amounts: the accounting treatment associated with transactions accompanied by such guarantees (cf. note 4.6.2) is based on the assumption that has been almost systematically verified to date of the attractiveness of the option to repurchase equipment offered to customers when compared to the current sales prices in the second-hand equipment market. If this assumption ceases to be confirmed, the accounting treatment of such future transactions should be adapted in consequence.

The net realisable value of inventory as well as the resale value for the Group for equipment repossessed pursuant to a customer default has been determined by taking into account the amount of time required to draw down existing inventory.

Use of estimates and assumptions also had an impact on the following items:

- amortisation and depreciation periods for fixed assets (cf. note 4.3),
- the valuation of provisions, notably for manufacturer warranties (cf. note 4.10) and for pension liabilities (cf. note 4.9),
- the recognition of deferred tax assets (cf. note 4.12).

The financial statements reflect the best estimates according to information available at time of finalising production of accounts.

3.2.2 Evaluation of risks and significant uncertainties having a potential material impact on Haulotte Group

The main material risks and uncertainties that could have a material impact on the Group identified at 31 December 2012 relate on the one hand to the return to profitability of the Group's activities and, on the other hand, items relating to its liquidity situation (described in detail in note 5.c).

Fiscal 2012 was marked by sales growth in all the Group's geographical markets and business lines. Sales volumes nevertheless remain sensitive to uncertainties with respect to the macro-economic environment, even if momentum at the end of 2012 was relatively sustained.

Improved margins from the rise in volumes contributed to a return by the Group to operating profit.

Despite European market conditions that remain difficult, needs for the renewal of equipment fleets in Europe and positive trends in emerging markets provide the basis for a positive commercial outlook for 2013 that should permit Haulotte Group to achieve another year of revenue growth.

As described in note 2 and note 22, the final instalment in the repayment of the syndicated loan of the Group was rescheduled until July 2015. However, after reaching certain financial ratios on 31 December 2012, discussions will be undertaken with the banking syndicate starting in the 2013 first quarter with the purpose of reaching an agreement to maintain the terms of this credit facility.

The liquidity risk is described in detail in note 5.d). Based on the level of cash resources and credit lines open and available at 31 December 2012 compared with cash forecasts for the first few months of 2013, there are no reasons that would call into question the Group's ability to meet its obligations with respect to the instalment schedule for July 2013 for an amount of €24.5 million.

3.3 Consolidation

Subsidiaries over which Haulotte Group S.A. directly or indirectly exercises exclusive control are fully consolidated. They are deconsolidated from the date that control ceases.

The list of subsidiaries included in the consolidation scope is shown in note 7.

3.4 Intercompany balances and transactions

All intercompany balances and transactions between fully consolidated companies are eliminated

3.5 Foreign currency translation of foreign subsidiaries financial statement

The consolidated financial statements are presented in euro (€), which is the parent company's, Haulotte Group S.A., functional and the Group's presentation currency.

Financial statements of foreign subsidiaries are measured using the functional currency, their local currency.

The results and financial position of foreign entities that have a functional currency different from the presentation currency (euro) are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet;
- Income statement items are translated at the average exchange rate for the period (average for 12 monthly rates) except if exchange rates experience significant fluctuations. In the latter case, applying an average exchange rate for a period would not be appropriate.

Exchange differences resulting from the translation of the subsidiaries' financial statements are recognised as a separate component of equity and broken down between the parent company share and minority interests.

In the case of the disposal of an entity, translation differences that were recognised under components of comprehensive income items are reclassified from equity to income of the period (as a reclassification adjustment) when a gain or loss resulting from the disposal is recognised.

Goodwill is accounted for in the currency of the subsidiary concerned. It must consequently be stated in the functional currency of the subsidiary and translated at year-end.

3.6 Translation of transactions in foreign currency

Foreign currency transactions are translated by the subsidiary into its functional currency using the exchange rates prevailing at the date of the transaction. At year-end, monetary items of the balance sheet denominated in foreign currencies are translated at closing exchange rates.

Gains and losses on translation are recorded directly in the income statement under operating income as "exchange gains and losses" except net foreign investments as defined under IAS 21 for which exchange differences are recognised as other comprehensive income items. In the event of the prepayment of a current account balance considered equivalent to a net investment in a foreign operation, the reduction of the associated investment is assessed on the basis of relative value.

3.7 Business combinations

Business combinations occuring after 1 January 2010 are accounted for using the acquisition method, in accordance with IFRS 3 (Revised) – Business Combinations:

- The identifiable assets acquired and liabilities and contingent liabilities assumed are measured at acquisition-date fair value, provided that they meet the accounting criteria in IFRS 3 (Revised). An acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date is measured at fair value less costs to sell. Only the liabilities recognised in the acquirees's balance sheet at the acquisition date are taken into account. Restructuring provisions are therefore not accounted for as a liability of the acquiree unless it has an obligation to undertake such restructuring at the acquisition date. Acquisition-related costs are recognized as expenses in the period in which the costs are incurred.

- The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the Group's share in the fair value of the acquired identifiable net assets exceeds the cost of acquisition, that difference is recognised directly in the income statement (see note 4.1).

- For each acquisition, the Group has the option of using the full goodwill method, where goodwill is calculated by taking into account tha acquisition-date fair value of minority interests, rather than their share of the fair value of the assets and liabilities of the acquiree.

- In the case of a bargain purchase, the resulting gain is recognised as non-recurring income, if the amount is material.

- Contingent consideration is measured at its acquisition-date fair value and is subsequently adjusted through goodwill only when additional information is obtained after the acquisition date about facts and circumstances that existed at that date. Such adjustments are made only during the 12-month measurement period that follows the acquisition date. All other subsequent adjustments are recorded as a receivable or payable through profit or loss (line "Other operating income and expenses").

- In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if material, is recognised as non-recurring income or expense.

3.8 Segment reporting

The Group has determined that the primary operating decision-making body of the entity is the Executive Committee. The Committee reviews internal reporting of the Group, evaluating its performance and making decisions for the allocation of resources. The operating segments have been adopted by management on the basis of this reporting

The Executive Committee analyses activity both according to geographic markets and the Group's businesses. These businesses are :

- the manufacture and sale of lifting equipment,
- the rental of lifting equipment,
- services (spare parts, repairs and financing).

In addition, these activities overall are subject to analysis according to geographic region (Europe, North America, Latin America, Asia Pacific).

Internal reporting used by the Executive Committee is based on a presentation of the accounts according to IFRS principles, and includes all Group activities.

The main indicators for performance reviewed by the Executive Committee are revenue, operating income and depreciation expenses. In addition, the Executive Committee monitors the main balance sheet captions: property, plant and equipment, trade receivables, receivables from financing activities, inventories, trade payables, borrowings.

Items relating to net financial income or expense and in general non-operating items, as well as items relating specifically to consolidation (tax…) are tracked on a global basis without applying a breakdown by activity or geographic sector. As such they are not included in this segment information.

The Group has not identified any customer accounting for more than 10% of revenue.

NOTE 4 - PRINCIPLES AND METHODS FOR THE VALUATION OF KEY BALANCE SHEET AGGREGATES

4.1 Goodwill

Goodwill related to consolidated companies is booked to balance sheet assets under "Goodwill". They result from the application of the principles of business combinations described in note 3.7 above.

Negative Goodwill (or badwill) is recognised immediately under operating income during the year of acquisition and no later than 12 months after the acquisition, after the correct identification and valuation of acquired assets and liabilities has been verified.

Goodwill is not depreciated but is instead subject to impairment testing whenever there exists an indicator of impairment and at least once a year. For the purpose of impairment testing, goodwill is allocated to Cash Generating Units (CGU) or groups of CGU that may benefit from business combinations.

The Group has defined three CGUs:

- The North America CGU including the subsidiaries Haulotte US and BilJax,
- Group rental company subsidiaries each representing an independent CGU,
- Manufacturing and distribution subsidiaries of the Group included within a single CGU.

An impairment loss is recognised when the carrying value is higher than the recoverable value, defined as the higher of value in use and fair value. Value in use is determined in reference to five-year business plans for which future flows are extrapolated and discounted to present value.

Goodwill impairment charges are irreversible.

Income and expense arising respectively from the recognition of negative goodwill (badwill) and the impairment of positive goodwill are recognised under the "other operating income and expenses".

4.2 Intangible assets

a) Development expenditures

Research expenditure is expensed as incurred. Development expenditure in connection with projects (for the design of new products or improvement of existing products) is recognised as intangible asset when the following criteria are met:

- the technical feasibility of completing the project,
- the intention of management to complete the project,
- the ability to use or sell the intangible asset,
- the intangible asset will generate probable future economic benefits for the group,
- the availability of adequate technical, financial and other resources to complete the project,
- the ability to measure reliably the costs.

Other development expenditures that do not meet these criteria are expensed in the period incurred. Development expenditure previously expensed is not recorded as an asset in subsequent periods.

Development expenditure is amortised from the date the asset is commissioned using the straight-line method over the estimated useful life of 2 to 5 years.

In compliance with IAS 36, development expenditure recognised under assets not yet fully amortised is tested for impairment annually or as soon as any impairment indicator is identified (when the inflow of economic benefits is less than initially anticipated). The carrying value of capitalised development expenditure is compared with expected cash flows projected over 2 to 5 years to determine the impairment loss to be recorded.

b) Other intangible assets

Other intangible assets (software, patents, etc.) are recognised at purchase cost excluding incidental expenses and financial charges.

Software is amortised using a straight-line method over 3 to 7 years.

4.3 Property, plant and equipment

Property, plant and equipment is recognised on the balance sheet at purchase cost (less discounts and all costs necessary to bring the asset to working condition for its intended use) or production cost. Finance costs are not included in the cost of fixed assets.

The basis for depreciation of fixed assets is their gross value (cost less residual value). Depreciation starts from the date the asset is ready to be commissioned. Depreciation is recorded over the useful life that reflects the consumption of future economic benefits associated with the asset that will flow to the Group.

When the asset's carrying value is greater than the estimated recoverable amount, an impairment is recorded for the difference.

Component parts are recognised as separate assets and subject to different depreciation rates if the related assets have different useful lives. The renewal or replacement costs of components are recognised as distinct assets and the replaced asset is written off.

In compliance with IAS 17, assets held under finance leases are capitalised at the lower of fair value or the present value of the minimum lease payments. These assets are depreciated on the basis of the same periods as those indicated below. If lease agreements transfer substantially all the risks and rewards of ownership to Haulotte, they correspond to the main indicators used under IAS 17 (existence of a purchase option, lease period coherent with the useful life of the asset, present value of minimum lease payments close to the fair value of the lease on the date of the lease agreement).

Payments for finance leases are broken down between financial expense and the amortisation of the debt in order to obtain the application of a constant periodic rate of interest on the remaining balance of the liabilities for each period. Interest expense is recognised directly in the income statement.

Contracts corresponding to operating leases are not restated.

Land is not depreciated. Other depreciation on assets is calculated using the straight-line method over their estimated useful lives as follows:

	Depreciation period
Plant buildings :	
Main component	30 to 40 years
Other components	10 to 30 years
Buildings fixtures and improvements:	
Main component	10 to 40 years
Other components	5 to 20 years
Plant equipment	5 to 20 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

The assets' residual value and useful lives are reviewed and adjusted, if appropriate, at each balance-sheet date.

Gains and losses arising from the disposal of fixed assets are recognised under other operating income and expenses.

4.4 Financial assets

Financial assets are classified into four categories according to their nature and the intended investment period:

- Held-to- maturity investments
- Financial assets measured at fair value through profit and loss
- Available-for-sale financial assets
- Loans and receivables.

The Group primarily holds financial assets belonging to the fourth category of "loans and receivables". They are recognised at the fair value of the price paid less transaction costs at initial recognition and subsequently at amortised cost at each balance sheet date. All impairment losses on these assets are immediately recognised in the income statement.

In view of their short term maturity, the fair value of those assets is equivalent to their carrying amount. When certain assets have a due date of more than one year, those financial assets are maintained in the balance sheet at initial cost, representing their acquisition cost when no active market exists.

Information on derivatives used by the Group is provided in a separate note (note 4).

4.5 Inventories and work in progress

Inventories are stated at the lower of cost or net realisable value :

- Materials and supplies cost is determined using the average cost method based on the weighted average cost per unit,
- The cost of finished goods and work in progress includes direct production costs and factory overhead (based on normal operating capacity);
- Traded goods inventories are recorded at purchase price (spare parts) or at their trade-in value (second-hand machines)
- The net realisable value is the estimated selling price in the ordinary course of business less applicable expenses to sell or recondition the goods.

Impairment is recognised when the net realisable value is less than the carrying value of inventories defined above.

4.6 Trade receivables

There are four categories of trade receivables:

- Receivables resulting from transactions with customers obtaining financing directly (4.6.1) with no guarantee given by the Group to the financial institution providing the financing;
- Receivables resulting from transactions for which Haulotte Group grants guarantees to the financial institution providing financing to the customer (4.6.2)
- Receivables resulting from finance leases with financing provided by Haulotte Group (4.6.3);
- Receivables resulting from back-to-back arrangements (4.6.4).

The accounting treatment for each transaction category is described below.

4.6.1 Sales without Group financing or guarantees

These receivables are recognised at fair value of the compensation received or to be received. They are subsequently recognised at amortised cost according to the effective interest rate method, less provisions for impairment.

When there exists serious and objective evidence of collection risks, a provision for impairment loss is recorded. The provision represents the difference between the asset's carrying amount and the estimated resale value of the equipment representing the receivable on the date the risk of non-collection is determined. This policy is based on the following factors:

- assets representing receivables may be repossessed by Haulotte Group in the event of customer default, when provided for by contractual terms and conditions
- a precise knowledge of the equipment's market value.

These market values are estimated on the basis of second-hand equipment sales realised by the Group over several years and corroborated by listed values for second-hand equipment.

4.6.2 Sales including guarantees granted by the Group

In line with industry practice, Haulotte Group grants guarantees to financial institutions offering financing to Group customers. Under such arrangements, Haulotte Group sells equipment to the financial institution that in turn contracts with the end user customer through one of two options:

- the credit sale of the equipment, or
- the conclusion of a finance lease.

Haulotte Group may grant several types of guarantees depending on the framework of agreements concluded with financial institutions and the level of risk assigned to the customer by this institution. Those guarantees are:

Guarantee in the form of a commitment to continue lease payments: Haulotte Group guarantees the financial institution payment if the debtor defaults and pays said institution in the event of default, the entire outstanding capital balance owed by the defaulting client. Haulotte Group has a right to repossess the equipment in exchange for its substitution in the place of the defaulting customer.

Guarantee in the form of a contribution to a risk pool: in this case, a portion of the amount of the sale to the financial institution is contributed to a guarantee fund that will cover potential risk of future customer default. The pool's maximum amount is fixed but makes it possible in the event of default of a customer qualifying for the pool to ensure the financial institution recovers the total amount of its debt.

Guarantee in the form of a contribution to a risk pool covering a fixed amount per receivable: as in the previous case, the pool's maximum amount is fixed but recourse by the financial institution is defined receivable by receivable. The financial institution confirms at each closing date the amount of its recourse receivable by receivable;

Guarantee in the form of commitments to repurchase the equipment: equipment's residual value is determined on the date the contract is concluded between the financial institution and the end-customer. At the end of the lease agreement, Haulotte Group undertakes to repurchase the equipment at this predetermined amount.

The accounting treatment of the first three types of guarantees associated with the different lease agreements concluded between the financial institution and the end-user customer are determined based on the analysis of the substance of the transaction as follows:

- as a loan granted to the end customer by Haulotte Group, the contract being transferred to the financial institution in order for the sale to be financed (case of a credit sale);
- as a finance lease between Haulotte Group and the end-customer, the contract being transferred to the financial institution in order for the sale to be financed (case of a finance lease).

The analysis of the guarantees granted by Haulotte Group within the above agreements in accordance with the provisions of IAS 39 indicates that most of the risks and rewards associated with the receivable assigned to financial institutions (notably credit risk and deferred due dates) have not been transferred in the case of guarantees in the form of a commitment to continue the lease payments or in the form of a contribution to a risk pool.

Accordingly, for such contracts, the following accounting treatment is applied: recognition of a receivable (under "receivables from financing activities" in the balance sheet) and a financial liability (under "payables from financing activities") for an amount equal to the outstanding capital balance payable by the end customer to the financial institution. These receivables and payables are discharged as the customer makes the lease payments to the financial institution.

However, in the case of a guarantee with a contribution to a risk pool covering a fixed amount per receivable, the amount recognised under receivables and payables is capped to the financial institution amount of recourse vis-à-vis Haulotte Group and not expanded to the full amount of the "assigned" receivable

Haulotte Group measures at the date of the balance sheet the risk of the guarantees granted being activated by reviewing payment default reported by financial institutions. In this case a provision for impairment loss is recorded, determined as described in note 4.6.1.

Concerning the fourth type of guarantee, commitments to repurchase equipment, an analysis of the equipment repurchase price granted demonstrates that most of the risks and rewards have been transferred. Indeed, the end customer exercises in virtually all cases the option granted by Haulotte Group to repurchase the equipment for the amount of the residual value at the end of its lease agreement with the financial institution. Haulotte Group's commitments contracted are recorded as off-balance sheet commitments for the amount of the residual value.

4.6.3 Financial leases

Haulotte Group concludes credit sales or leasing contracts directly with its customers with no intermediary financial institutions. When analysed according to provisions of IAS 17, these agreements are classified as finance leases, as a significant portion of the risks and rewards of ownership are transferred to the lessees.

The accounting treatment for these agreements is as follows:

- equipment sales are recognised under "sales and revenue" in the income statement on the date the parties sign the lease agreement,

- a trade receivable (under "receivables from financing activities" in the balance sheet) is recognised vis-à-vis the end customer broken down between current assets for the portion of lease payments due within one year and non-current assets for the balance,

- for the following periods, payment received from the customer as per the lease agreement or the credit sale is allocated between financial income and repayment of the receivable and finance charge.

4.6.4 Back-to-back lease arrangements

In the past, a significant volume of Haulotte Group sales originated from back-to-back lease arrangements.

These arrangements involve selling equipment to a financial institution accompanied by a leaseback agreement to be subleased to the end user. Based on an analysis of these transactions' substance both upstream and downstream, they have been classified as finance leases.

Haulotte Group has not had recourse to this type of contracts for three years and the amounts mentioned under financing activities (note 14) reflect past transactions that have not yet been settled.

In the fiscal years ended 31 December 2005 and 2006, payables in connection with back-to-back lease arrangements were subject to global refinancing and lease receivables and payables were no longer strictly matched. Payables to the finance lease company were replaced by loans obtained by the Group for financing and the repayment of this loan has replaced the lease instalments made to the financial institution.

4.7 Cash and cash equivalents

"Cash and cash equivalents" includes cash at hand and other short-term investments. The latter consists primarily of money market funds and term deposits.

Cash equivalents consist of short-term high liquidity investments that are readily convertible to known amounts of cash and present insignificant risk of change in value.

Accrued interest has been calculated for term deposits for the period between the subscription and closing date.

4.8 Treasury shares

Shares of Haulotte Group S.A. acquired in connection with the Group share buyback programs (liquidity contract allocated to ensure an orderly market in the company's shares and buyback program) are recorded as a deduction from consolidated shareholders' equity at acquisition cost. No gain or loss is recognised in the income statement from purchases, sales or impairment of treasury shares.

4.9 Employees benefits

The Group records provisions for employee benefits and other post-employment obligations as well as long service awards. The Haulotte Group has only defined benefit plans. The corresponding obligation is measured using the projected unit credit method with end-of-career wages. The calculation of this obligation takes into account the provisions of the laws and collective bargaining agreements and actuarial assumptions concerning notably staff turnover, mortality tables, salary increases and inflation.

Following the first time application on 1 January 2012 of Revised IAS 19, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised among equity items in other comprehensive income for the period in which these gains or losses are incurred. Previously, these actuarial gains and losses were recognised in the income statement of the period in which they were generated.

All comparative information relating to this change in accounting method is presented in note 25.

4.10 Provisions

In general a provision is recorded when:

- the Group has a present legal or constructive obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and,
- the obligation has been reliably estimated.

Warranty provision

The Group grants clients a manufacturer's warranty. The estimated cost of warranties on products already sold is covered by a provision statistically calculated on the basis of historical data. The warranty period is usually one to two years. When necessary, a provision is recognised on a case-by-case basis to cover specific warranty risks identified.

Litigations

Other provisions are also recorded in accordance with the above principles to cover risks related to litigations, site closures (when applicable) or any other event meeting the definition of a liability. The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation.

All material lawsuits involving the company were reviewed at year-end, and based on the advice of legal counsel, the appropriate provisions were recorded, when necessary, to cover the estimated risks.

4.11 Borrowings

Borrowings are initially recognised at fair value of the amount received less transaction costs. Borrowings are subsequently stated at amortised cost calculated according to the effective interest rate method.

4.12 Deferred taxes

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements as well as on tax losses carried forward. They are calculated using the liability method, for each of the Group's entity, using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets from temporary differences or tax loss carryforwards are recognised only to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset if the entities of the same tax group are entitled to do so under enforceable provisions.

NOTE 5 - MANAGEMENT OF FINANCIAL RISK

a) Foreign exchange risk

A significant portion of Haulotte Group sales are in currencies other than the euro including notably the US dollar and British pound sterling. Because sales of Group subsidiaries are primarily in their functional currency, transactions do not generate foreign exchange risks at their level.

The primary source of foreign exchange risks for the Haulotte Group consequently results from intercompany invoicing flows when Group companies purchase products or services in a currency different from their functional currency (exports of manufacturing subsidiaries located in the euro area and exporting in the local currency of a sale subsidiary).

Such exposures are managed by Haulotte Group SA. For the main currencies, foreign exchange trading positions in the balance sheet are partially hedged using basic financial instruments (forward exchange sales and purchases against the euro).

b) Interest rate risk

The Group favours floating-rate debt which provides it greater flexibility. To hedge against interest rate risks, the Group seeks to take advantage of market opportunities according to interest rate trends. There is no recourse to systematic interest rate hedging.

To cover market risks (interest rate and foreign exchange exposures), Haulotte Group has recourse to financial instrument derivatives. These derivatives are designed to cover the fair value of assets or liabilities (fair value hedges) or future cash flows (cash flow hedges). However, because financial instruments held by Haulotte Group do not fully comply with the criteria for hedge accounting, changes in fair value are recorded in income statement.

In compliance with the provisions of IAS 32 and 39, derivatives are recorded at fair value. The fair value of those contracts is determined based on valuation models given by the banks with which the instruments were traded, and can be considered as level 2 valuations as defined in IFRS 7 (level 2 : quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data).

c) Credit risk

Credit risk results primarily from exposure to customer credit and notably outstanding trade receivables and transactions.

To limit this risk, the Group has implemented rating procedures (internal or independent) to evaluate credit risk for new and existing customers on the basis of their financial situation, payment history and any other relevant information.

Credit risk is also limited by Haulotte Group’s ability in the event of default by one of its customers to repossess the equipment representing the receivable. The provisions for impairment loss on trade receivables are determined based on this principle (cf note 4.6).

d) Liquidity risk

Haulotte Group cash management is centralised. The corporate team manages current and forecasted financing needs for the parent company and subsidiaries.

All cash surpluses are invested in risk-free products at market conditions by the parent company comprised of money market funds and time deposit accounts.

Status of the syndicated credit facility

As described in notes 2 and 3.2.2., syndicated loan agreement was amended in 2012, that involved particular the extension of its maturity until July 2015 and the redefinition of the repayment schedule for the following instalments (described in note 22).

In light of the acceleration clause in the event a breach of certain financial ratios provided for in the loan agreement, and the fact that certain of these ratios were breached at 31 December 2012, the full outstanding amount owed under this syndicated loan agreement was presented under short-term debt.

Haulotte Group initiated discussions with its financial partners in the first quarter of 2013 expected to result in an agreement making it possible to maintain the terms of the credit facility granted to the Group.

At 31 December 2012, the outstanding amount for syndicated credit lines totalled €88.3 million with a remaining balance for a drawdown of an additional €33.2 million. At year-end, the Group had cash and cash equivalents of €16.6 million. The amendment to this syndicated loan agreement executed in July 2012 provides for payment of an instalment by the Group in July 2013 of €24.5 million.

Based on the level of cash resources and credit lines open and available at 31 December 2012 in conjunction with cash forecasts for the initial months of 2013, there are no reasons that might call into question the Group's ability to meet its obligations with respect to the contractual instalment of July 2013 of the syndicated credit facility mentioned above.

NOTE 6 - PRINCIPLES AND METHODS OF MEASUREMENT FOR THE INCOME STATEMENT

6.1 Revenue recognition

« Sales and Revenue » includes the goods and services sales comprising notably:

- sales self-financed by the customer,
- sales funded through back-to-back arrangements and the corresponding financial income (cf note 4.6),
- sales including financial guarantees given by Haulotte Group S.A. to allow the customer to obtain financing (cf. note 4.6),
- sales within remarketing agreements with financial institution after they had taken back equipment from defaulting clients,
- equipment rental,
- provision of services.

Revenue from the sale of goods is recognised net of value-added tax on the date the risks and rewards of ownership are transferred to the buyer which generally corresponds to the date of shipment of the products to the customer after obtaining adequate assurance that the contractual payment will be made.

Financial income in connection with back-to-back leases or finance leases is recognised on the basis of the effective interest rate.

Revenue from services is recognised during the period in which the services are rendered.

6.2 Cost of sales

The cost sales includes direct production costs, factory overhead, changes in inventory, provisions for inventory losses, warranty costs, fair value adjustments of currency hedges and interest expense paid in connection with back-to-back arrangements.

6.3 Selling expenses

This item includes notably costs related to sales and commercial activity.

6.4 General and administrative expenses

This item includes indirect leasing costs, administrative and management expenses, and changes in the provision for impairment losses on trade receivables.

6.5 Research and development expenditures

Research expenditures are expensed in the period they are incurred.

Development expenditures are expensed in the period except when they meet the criteria defined under IAS 38 (cf. 4.2.a) for recognition as intangible assets. This concerns expenditures incurred in connection with development projects for new categories of machines or components considered technically viable with a probability of generating future economic benefits.

6.6 Other operating income and expenses

This heading includes:

- gains or losses from disposals (excluding those by rental companies treated as sales of second-hand equipment and recognised consequently under revenue),
- amortisation of capitalised development expenditures,
- income or expenses related to litigations of an unusual, abnormal or infrequent nature,
- impairment losses on goodwill.

6.7 Operating income

Operating income covers all income and expenses directly relating to Group activities, whether representing recurring items of the normal operating cycle or events or decisions of an occasional or unusual nature.

6.8 Cost of net financial debt

Cost of net financial debt includes total finance costs consisting primarily of interest expense (according to the effective interest rate) as well as the fair value adjustments of interest rate hedges.

6.9 Other financial income and expenses

This item includes income from cash and cash equivalents (interest income, gains and losses from the disposal of short-term securities, etc.).

6.10 Earnings per share

Earnings per share presented at the bottom of the income statement is determined by dividing the net income of Haulotte Group S.A. for the period by the weighted average number of ordinary shares outstanding during the period excluding treasury shares.

Diluted earnings per share are calculated on the basis of the average number of shares outstanding during the year adjusted for the dilutive effects of equity instruments issued by the company such as stock options.

NOTE 7 - SCOPE OF CONSOLIDATION

Companies consolidated at 31 December 2012 are:

Entity	Country	% d'intérêt	Consolidation method at 31 December 2012	Consolidation method at 31 December 2011
Haulotte Group S.A.	France	Mère		
Haulotte France Sarl	France	99.99%	Full consolidation	Full consolidation
Haulotte Services France	France	99.99%	Full consolidation	Full consolidation
TELESCOPELLE S.A.S	France	100%	Full consolidation	Full consolidation
Access Rentals (UK) Ltd.	UK	100%	Full consolidation	Full consolidation
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte Argentina S.A.	Argentina	95%	Full consolidation	Full consolidation
Haulotte Arges S.R.L.	Romania	100%	Full consolidation	Full consolidation
Haulotte Australia Pty. Ltd.	Australia	100%	Full consolidation	Full consolidation
Haulotte Cantabria S.L.	Spain	100%	Full consolidation	Full consolidation
Haulotte Chile SPA	Brazil	100%	Full consolidation	-
Haulotte Do Brazil LTDA	Germany	99.98%	Full consolidation	Full consolidation
Haulotte Hubarbeitsbühnen GmbH	Spain	100%	Full consolidation	Full consolidation
Haulotte Iberica S.L.	Italia	98.71%	Full consolidation	Full consolidation
Haulotte Italia S.R.L.	Mexico	99%	Full consolidation	Full consolidation
Haulotte Services SA de CV	Mexico	99.99%	Full consolidation	Full consolidation
Haulotte Middle East FZE	Dubaï	100%	Full consolidation	Full consolidation
Haulotte Netherlands B.V.	Netherlands	100%	Full consolidation	Full consolidation
Haulotte Polska SP Z.O.O.	Polska	100%	Full consolidation	Full consolidation
Haulotte Portugal, plataPortugale de elevaçao, Unipessoal, LDA	Portugal	98.71%	Full consolidation	Full consolidation
Haulotte Scandinavia AB	Sweden	100%	Full consolidation	Full consolidation

Haulotte Singapore Ltd.	Singapore	100%	Full consolidation	Full consolidation
Haulotte Trading (Shanghai) co. Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte UK Limited	UK	100%	Full consolidation	Full consolidation
Haulotte U.S., INC.	U.S.A.	100%	Full consolidation	Full consolidation
Haulotte Vostok	Russia	100%	Full consolidation	Full consolidation
Horizon High Reach Limited	Argentina	100%	Full consolidation	Full consolidation
Horizon High Reach Chle SPA	Chile	100%	Full consolidation	-
Levanor Maquinaria de Elevacion S.A.	Spain	91%	Full consolidation	Full consolidation
Mundilevaçao, Aluger e Transporte de Plataformas LDA	Portugal	81.90%	Full consolidation	Full consolidation
NO.VE. S.R.L.	Italia	100%	Full consolidation	Full consolidation
N.D.U Maquinaria y Plataformas Elevadoras, S.L.	Spain	98.71%	Full consolidation	Full consolidation
UK Platforms Ltd.	UK	100%	Full consolidation	Full consolidation
Bil Jax, Inc.	U.S.A.	100%	Full consolidation	Full consolidation
Equipro, Inc.	U.S.A.	100%	Full consolidation	Full consolidation
Bil Jax Service, Inc.	U.S.A.	100%	Full consolidation	Full consolidation
Bil Jax Planking Systems, Inc.	U.S.A.	100%	Full consolidation	Full consolidation
Construction and Scaffold Supply, Inc.	U.S.A.	100%	-	Full consolidation
Scaffold Design and Erection, Inc.	U.S.A.	100%	-	Full consolidation
CSI Contruction Supply International, Inc.	U.S.A.	100%	-	Full consolidation
USA ONE, Inc.	U.S.A.	100%	-	Full consolidation

The closing date for financial statements of consolidated companies for each period presented is 31 December.

NOTE 8 - CHANGES IN GROUP STRUCTURE

Two new subsidiaries were created in Chile in the period for the purpose of assuring the Group's sales and equipment rental operations in this country, Haulotte Chile SPA and Horizon High Reach Chle SPA.

Its subsidiaries Construction and Scaffold Supply, Inc., Scaffold Design and Erection, Inc., CSI Construction Supply International, Inc. and USA ONE, Inc., without activity, were dissolved at 31 December 2012.

NOTE 9 - GOODWILL

At 31 December 2012

	Gross value	Impairment	Net value
UK Platforms	12 158	(12 158)	-
Haulotte France	54	(54)	-
Nove	2 580	-	2 580
Horizon	2 394	-	2 394
BilJax	15 105	-	15 105
N.D.U.	772	(772)	-
Total	**33 063**	**(12 984)**	**20 079**

At 31 December 2011

	Gross value	Impairment	Net value
UK Platforms	12 158	(12 158)	-
Haulotte France	54	(54)	-
Nove	2 580	-	2 580
Horizon	2 787	-	2 787
BilJax	15 403	-	15 403
N.D.U.	772	(772)	-
Total	**33 754**	**(12 984)**	**20 770**

The change presented in goodwill between the two periods (or €691 thousand) reflects the currency effect on goodwill for Horizon and BilJax.

• « North America » CGU

The last impairment test for the «North America» region considered as a cash generating unit (CGU) was performed on 30 June 2012. Because economic conditions have not improved since that date, a new impairment test was performed on 31 December 2012 on the CGU that includes the US entities of the Group

The recoverable value of the « North America » CGU was based on calculations of value in use. These calculations were carried out using forecast future cash flows based on the one-year budgets approved by management.

The main assumptions used to perform this impairment test were as follows:

- significant growth in market share in the sector of the sale of aerial work platforms in the "North American" market, on a 5 years horizon;
- consolidation of levels of profitability found on the different activities operated on the North American market;
- the impairment test included cash flow projections over five years, an assumption of long-term growth of 1.5% and a discount rate (WACC) of 11% (a discount rate of 9.5% was used in 2011);

On the basis of these assumptions, management considers that the value in use of the "North America" CGU exceeds the carrying value.

Sensitivity analysis have been carried out on the assumptions considered as key by management :

- sales forecast : a decrease of 10% in the sales forecast used in the discounted cash flow calculations would make the value in use of the CGU equivalent to its carrying value
- discount rate : an increase of 3.9 points of the discount rate would lead to equivalence between the value in use of the CGU and its carrying value.

• « Rental companies » CGU

For the entity Nove, an impairment test was performed based on projected cash flows for 4 years, assumption of long-term growth of 1.5% and a discount rate of 8.5% (a discount rate of 8.2% was used in 2011).

On the basis of this test, no impairment was recorded for this CGU in the consolidated financial statements for the period ended 31 December 2012.

Sensitivity analyses have been carried out on the assumptions considered as key by management:

- sales forecast : a decrease of 5.5% in the sales forecast used in the discounted cash flow calculations would make the value in use of the CGU equivalent to its carrying value
- discount rate : an increase of 3 point of the discount rate would lead to equivalence between the value in use of the CGU and its carrying value.

For the entity UK Platforms, a test was realized to compare the net book value of rental equipment as per Group books with their market value.

On the basis of this test, no impairment was recorded for this CGU in the consolidated financial statements for the period ended 31 December 2012.

Sensibility analysis carried out shows that no impairment charge would be recorded with a decrease in average market values estimated of up to 35%.

The CGUs constituted by other rental subsidiaries were not tested for impairment as no tangible triggering event were identified during the period.

NOTE 10 - INTANGIBLE ASSETS

	31/12/2011	Increase	Decrease	Reclassi-fications and other changes	Translation adjustment	31/12/2012
Development expenditure	10 710	2 340	-	-	-	13 050
Concessions, patents, licenses	7 526	390	(206)	277	(5)	7 982
Other intangibles and in progress	347	639	(12)	(321)	-	653
Gross value	**18 583**	**3 369**	**(218)**	**(44)**	**(5)**	**21 685**
Depreciation / impair-ment of development expenditure	7 263	489	-	-	-	7 752
Depreciation of concessions, patents, licenses	4 655	961	(220)	1	(2)	5 395
Depreciation of other intangibles and in progress	60	8	(10)	(42)	(2)	14
Accumulated depreciation and impairment	**11 978**	**1 458**	**(230)**	**(41)**	**(4)**	**13 161**
Net value	**6 605**	**1 911**	**12**	**(3)**	**(1)**	**8 524**

The depreciation of development expenditure of € 489 thousand is included under the line item « Research and development expenditure » of the income statement.

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	31/12/2011	Increase	Decrease	Reclassi-fications and other changes	Translation adjustment	31/12/2012
Land	6 230	-	-	-	(41)	6 189
Building	41 771	1 729	(302)	71	(581)	42 688
Plant machinery	32 764	1 087	(5 214)	378	(260)	28 755
Equipment for rental	90 435	10 411	(12 279)	335	(252)	88 650
Other PPE	12 260	1 458	(1 561)	78	(74)	12 161
Fixed assets in progress	548	647	(2)	(482)	(7)	704
Gross value	**184 008**	**15 332**	**(19 358)**	**380**	**(1 215)**	**179 147**
Depreciation/impairment of building	14 599	1 631	(248)	-	(132)	15 850
Depreciation/impairment of plant machinery	22 396	2 186	(4 231)	9	(130)	20 230
Depreciation/impairment of equipment for rental	42 910	11 165	(7 376)	476	70	47 245
Depreciation/impairment of other PPE	8 969	1 349	(1 343)	8	(48)	8 935
Accumulated depreciation and impairment	**88 874**	**16 331**	**(13 198)**	**493**	**(240)**	**92 260**
Net value	**95 134**	**(999)**	**(6 160)**	**(113)**	**(975)**	**86 887**

(*): Amounts indicated under « Reclassifications and other changes » mainly concern the transfer of "Fixed assets in progress" into the other Assets captions, as well as reclassifications between the different captions after the review of the balance sheet of certain subsidiaries.

The increase in «Equipment for rental» of €10 411 thousand relates mainly to the acquisition of aerial access equipment by rental companies, and in particular €5 563 thousand for UK Platforms, €1 602 thousand for Horizon Chile and €1 589 thousand for Horizon Argentina. Disposals under this line item relate mainly to the renewal of our fleet of aerial work platforms or to the fleet adjustment in line with the activity of local markets and concern for a gross value mainly €3 300 thousand for UK Platforms, €1 465 thousand for Nove, Levanor for €1 393 thousand and Mundielevaçao for €1 022 thousand.

Disposals under other property, plant and equipment relate mainly to the closure of the Group's Spanish plant, described in note 2, for a gross value of €3 919 thousand (spread across all line items though mainly under plant and equipment), and for a net value of €1 029 thousand.

Allowances for depreciation of rental equipment are recognised under the cost of sales in the income statement. Allowances for buildings, plant equipment and other PPE are recognised under the cost of sales and/or selling and administrative expenses.

NOTE 12 - FINANCIAL ASSETS

Financial assets include loans, deposits and guarantees to non-Group entities. Their changes over the period are as follows:

	31/12/2011	Increase	Decrease	Reclassifications	Translation adjustment	31/12/2012
Financial assets	966	1 331	(111)	(183)	(5)	1 998

As described in the note 4.4, the carrying value of those assets is representative of their value in view of their short term maturity.

NOTE 13 - INVENTORY

At 31 December 2012	Gross value	Provision	Net value
Raw materials	22 316	(1 163)	21 153
Work in progress	3 581	(57)	3 524
Semi finished and finished goods	74 682	(5 638)	69 044
Trade goods	15 891	(3 787)	12 104
Total	**116 470**	**(10 645)**	**105 825**

At 31 December 2011	Gross value	Provision	Net value
Raw materials	31 439	(1 600)	29 839
Work in progress	10 546	(23)	10 523
Semi finished and finished goods	85 882	(6 717)	79 165
Trade goods	17 551	(4 321)	13 230
Total	**145 418**	**(12 661)**	**132 757**

The impact of idle capacity has not been included in the inventory valuation.

The change in inventory of €(28 948) thousand on 31 December 2012 versus a decrease of €(6 644) thousand at 31 December 2011 is recognised under the cost of sales in the income statement.

Provisions for inventory impairment losses break down as follows:

	31/12/2011	Increase	Decrease	Translation adjustment	31/12/2012
Provision for inventory impairment losses	12 661	4 700	(6 680)	(36)	10 645

NOTE 14 - TRADE RECEIVABLES

At 31 December 2012	Gross value	Provision	Net value
Non-current assets			
Receivables from financing activities exceeding one year	11 142		11 142
including finance lease receivables	*7 936*		*7 936*
including guarantees given	*3 206*		*3 206*
Sub-total	**11 142**		**11 142**
Current assets			
Trade receivables	111 838	(26 979)	84 859
Receivables from financing activities less than one year	6 997	(1 050)	5 947
including finance lease receivables	*4 772*	*(478)*	*4 294*
including guarantees given	*2 225*	*(572)*	*1 653*
Sub-total	**118 835**	**(28 029)**	**90 806**
Total	**129 977**	**(28 029)**	**101 948**

At 31 December 2011	Gross value	Provision	Net value
Non-current assets			
Receivables from financing activities exceeding one year	15 987		15 987
including finance lease receivables	*10 659*		*10 659*
including guarantees given	*5 328*		*5 328*
Sub-total	**15 987**		**15 987**
Current assets			
Trade receivables	108 704	(26 513)	82 191
Receivables from financing activities less than one year	9 359	(2 402)	6 957
including finance lease receivables	*4 056*	*(350)*	*3 706*
including guarantees given	*5 303*	*(2 052)*	*3 251*
Sub-total	**118 063**	**(28 915)**	**89 148**
Total	**134 050**	**(28 915)**	**105 135**

The fair value of "Trade receivables" recorded under current assets equals the carrying value given their short maturity (less than one year).

In accordance with IAS 17, fair value of receivables from back-to-back equipment leases and finance leases represents the lower of the fair value of the item at the inception (cash sales price net of rebates) or the discounted value of lease payments at the lease's implicit interest rate.

As described in note 4.6, the fair value of receivables guarantees granted by Haulotte Group to the lending institution of the customer, represents:

- either the amount of capital remaining due by the customer of Haulotte Group to the financial institution
- or the maximum amount of the risk incurred by Haulotte Group

The corresponding receivables and payables are discharged as customers make lease payments to the financial institution.

Provisions for trade receivables break down as follows:

	31/12/2011	Increase	Decrease	Translation adjustment	31/12/2012
Provisions for trade receivables	28 915	5 485	(6 405)	34	28 029

The trade receivables net amount split as follows by maturity date:

			Due		
	Total	Not due	less than 60 days	60 - 120 days	more than 120 days
Net trade receivables 2012	101 948	93 484	3 672	2 278	2 514
Net trade receivables 2011	105 135	92 167	5 865	3 143	3 960

Trade receivables that are due are analysed notably on the basis of the customer rating established by the Group (cf. note 5.c). Considering this rating and the resulting risk assessment, the Group determines the necessity of recording a provision. When applicable, provisions are recorded for the difference between the carrying value of the receivable and the estimated resale value of the equipment determined in reference to historical sales' prices.

NOTE 15 - OTHER ASSETS

	31/12/2012	31/12/2011
Other current assets	8 456	17 155
Advances and instalments paid on orders	981	1 155
Prepaid expenses	2 116	2 417
Depreciation of other current assets	(224)	(220)
Total other current assets	**11 329**	**20 507**
Other non-current assets	-	26 059
Total other assets	**11 329**	**46 566**

« Other current assets » mainly includes VAT receivables.

«Other non-current assets» represent corporate income tax carry-back receivables for companies of Haulotte Group S.A. having elected the carry-back option for tax losses from 2009 (€13 911) thousand and 2010 (€12 147) thousand. The full amount of these receivables was assigned in December 2012 to a financial institution according to the terms described above in note 16.

NOTE 16 - TRANSFERS OF FINANCIAL ASSETS

16.1 Assignment of carry-back receivables of Haulotte Group SA

On 17 December 2012, Haulotte Group SA assigned the full amount of tax receivables from the carry-back of corporate income taxes recognised after adopting the carry-back option for tax losses from 2009 (€13 911) thousand and 2010 (€12 147) thousand. These receivables were recognised at 31 December 2011 and up to the date of their assignment under «other non-current assets» of the Group.

This assignment represented a one-off transaction. These receivables were assigned on a no-recourse basis and all risks associated with the receivables were transferred to the bank (including the possible risk of late payment of the receivables by the tax authorities). In consequence, these receivables were derecognised in the financial statements as presented at 31 December 2012.

In consequence, this accounting treatment results in:

- The derecognition of two receivables with a nominal value of respectively €13 911 thousand and €12 147 thousand from «other non-current assets»;
- Receipt by Haulotte Group SA of a cash payment of respectively €12 615 thousand and €10 690 thousand on 17 December 2012.

The impact of the receivable assignments on the income statement is recognised under «Net borrowing costs».

16.2 Factoring agreement with Haulotte France Sarl

In March 2012, a factoring agreement for the assignment of trade receivables was concluded between Haulotte France Sarl and GE Capital. This agreement was signed for a term of one year. The maximum amount of receivables that may be assigned under this agreement is €12 500 thousand.

The risks and rewards associated with these receivables are not transferred to GE Capital within the framework of this agreement. In consequence, these receivables were maintained in the Group's balance sheet at the closing date with the recognition of financial liabilities.

At 31 December 2012, receivables assigned amounted to €10 624 thousand and resulted in the recognition €8 453 thousand in financial liabilities that were included under «current financial liabilities» (see also note 22).

NOTE 17 - RECEIVABLES BY MATURITY

31/12/2012	Montant	less than 1 year	1 to 5 years
Trade receivables*	84 859	84 859	-
Trade receivables from financing activities	17 089	5 947	11 142
Other assets	11 329	11 329	-
Total	**113 277***	**102 135**	**11 142**

* Including receivables overdue for €8 464 thousand (cf. note 14)

31/12/2011	Montant	less than 1 year	1 to 5 years
Trade receivables*	82 191	82 191	-
Trade receivables from financing activities	22 944	6 957	15 987
Other assets	46 566	20 507	26 059
Total	**151 701***	**109 655**	**42 046**

* Including receivables overdue for €12 968 thousand (cf. note 14)

NOTE 18 - FOREIGN EXCHANGE RISK MANAGEMENT

The following table presents the foreign currency exposures of trade receivables and payables:

At 31/12/2012	EUR	AUD	GBP	USD	Others	TOTAL
Trade receivables	76 395	5 743	10 239	22 007	15 593	**129 977**
Trade payables	(27 018)	(243)	(1 662)	(2 967)	(2 629)	**(34 519)**
Net amount	49 377	5 500	8 577	19 040	12 964	**95 458**

At 31/12/2011	EUR	AUD	GBP	USD	Others	TOTAL
Trade receivables	84 523	7 391	11 736	21 700	8 700	**134 050**
Trade payables	(44 614)	(601)	(1 803)	(4 149)	(1 941)	**(53 108)**
Net amount	39 909	6 790	9 933	17 551	6 759	**80 942**

A 10% increase in the value of the euro against the pound sterling would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €780 thousand.

A 10% increase in the value of the euro against the US dollar would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €1 731 thousand.

A 10% increase in the value of the euro against the Australian dollar would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €500 thousand.

NOTE 19 - CASH AND CASH EQUIVALENTS

	31/12/2012	31/12/2011
Cash at bank and in hand	16 548	16 377
Money market funds	10	10
Total	**16 558**	**16 387**

NOTE 20 - DERIVATIVE INSTRUMENTS

All derivative instruments owned by the Group at 31 December 2012 as it was at 31 December 2011 are recorded according to their fair value estimated based on a level 2 method as defined in IFRS 7 as described in the note 5.

Positive fair value of derivative instruments:

	31/12/2012	31/12/2011
USD forward sales	-	246
USD forward purchases	1 102	1 022
Total	**1 102**	**1 268**

Negative fair value of derivative instruments:

	31/12/2012	31/12/2011
Interest rates swap	(974)	(2 994)
Total	**(974)**	**(2 994)**

NOTE 21 - SHARE CAPITAL AND PREMIUMS

	31/12/2012	31/12/2011
Number of shares	31 214 129	31 214 129
Nominal value in euros	0.13	0.13
Share capital in euros	***4 057 837***	***4 057 837***
Share premiums in euros	***92 044 503***	***92 044 503***

Treasury shares are as follows:

	31/12/2012	31/12/2011
Number of treasury shares	1 837 823	1 837 823
Treasury shares as a percentage of capital	5.89 %	5.89 %
Market value of treasury shares in K€*	10 016	8 619

** based on quoted value of the last business day of the year*

There was no movement in treasury shares during the years 2011 and 2012. The balances are therefore as follows:

TYPE		2012	2011
Liquidity agreement	Number of shares owned at 31 December	139 418	139 418
	Initial value of shares owned at 31 December	1 506 773	1 506 773
Buyback authorisation	Number of shares owned at 31 December	1 698 405	1 698 405
	Initial value of shares owned at 31 December	13 183 551	13 183 551
Global	Total number of shares owned at 31 December	1 837 823	1 837 823
	Total initial value of shares owned at 31 December	14 690 324	14 690 324
	Closing quoted value of shares at 31 December	5.45	4.69

NOTE 22 - BORROWINGS AND FINANCIAL LIABILITIES

	31/12/2012	31/12/2011
Syndicated Loan	-	-
Guarantees Given	*3 206*	*5 328*
BilJax's credit line	-	*208*
Haulotte France factoring	*5 472*	*4 121*
Bank loans and borrowings > 1 year	**8 678**	**9 657**
Other loans and borrowings	**1 406**	**487**
Non-Current financial liabilities	**10 084**	**10 144**
Syndicated Loan	*85 978*	*130 329*
Guarantees Given	*2 224*	*5 303*
BilJax's credit line	*6 907*	*3 011*
Haulotte France factoring	*8 453*	-
Other borrowings	*2 559*	*4 010*
Bank loans and borrowings < 1 year	**106 121**	**142 653**
Other borrowings and financial liabilities	**154**	**279**
Syndicated Loan	*1 342*	*3 108*
BilJax's credit line	-	*1 020*
Other bank overdraft	*1 071*	*1 192*
Bank overdrafts	**2 413**	**5 320**
Current financial liabilities	**108 688**	**148 252**
Total borrowings and financial liabilities	**118 772**	**158 396**

A factoring agreement was signed in March 2012 by Haulotte France that resulted in the recognition of financial liabilities corresponding to receivables assigned at the closing date either €8 453 thousand at 31 December 2012 as described in note 16.

In 2005 Haulotte Group secured a 7-year syndicated loan of €330 000 thousand. The loan was contracted at a variable rate of interest indexed on the 3-months Euribor.

Successive amendments modified in 2006, 2009 and June 2010 (following the recognition in fiscal 2009 of the breach of certain ratios applicable to this debt) the aggregate amount and breakdown of the different tranches of this credit facility. As also described in note 2, on 30 July 2012 a new amendment was signed, extending the maturity of the credit facility until July 2015 (instead of July 2013) and redefining the repayment schedule (Tranche A, B and C):

- 31 July 2012: €22.5 million
- 31 July 2013: €24.5 million
- 31 July 2014: €28 million

The working capital credit line for €69 million is non-redeemable until July 2015.

A swap agreement has been implemented to cover the risks of interest rate fluctuations (note 20).

The following information relating to the syndicated loan detail :

- the amount of each tranche by nature (a)
- the balance due by the Company at 31 December 2012 after drawings on the different credit lines (b)
- the balance available on each tranche for further drawing (c)

		Total loan (a)	(b)	(c)
Tranche A	Refinancing of existing debt	70 000		-
Tranche B	Financing of capital expenditures	70 000	42 001	-
Tranche C	Financing of acquisitions	31 000	10 497	-
Tranche D	Financing of working capital requirements - Revolving (1)	67 500	34 500	22 000
	Financing of working capital requirements - Bank overdraft (1)	12 500	1 342	11 158
	Total	**251 000**	**88 340**	**33 158**

(1) The financing of working capital credit line reduced from €80 000 thousand to €75 000 thousand in July 2010, to €69 000 thousand in July 2011. It will remain stable until the maturity of the credit the 31 July 2015.

In accordance with the repayment schedule of the loan agreement, €22 500 thousand were reimbursed during the financial year for tranches A, B and C. Furthermore, the net change in the revolving credit line item in the period results from a repayment of €22 000 thousand.

As indicated in the notes 2, 3.2.2 and 5.5, following the breach of debt ratios at the end of December 2012, repayment of the loan was rendered enforceable by the banking syndicate. For this reason, the full amount of the debt was reclassified under current borrowings (refer also to Note 26). As stated in the repayment schedule of the credit line as per the amendment to the contract signed in July 2012 with bank partners, the amount to be repaid in July 2013 amounts to €24 500 thousand.

In exchange for the syndicated loan, the following commitments were granted to the banking syndicate:

- pledge of Haulotte Group S.A. goodwill
- pledge of Haulotte UK shares
- pledge of current account between Haulotte Group S.A. and Haulotte US for US$30 000 thousand
- pledge of Equipro Inc. shares

The subsidiary BilJax renegotiated the terms of its credit line during the period. The main result of this renegotiation was the reclassification under financial liabilities of a portion of this credit line previously classified under bank overdrafts (US$1 320 thousand either €1 020 thousand at 31 December 2011 and US$3 253 thousand or €2 466 thousand at 31 December 2012).

Group debt is denominated in the following currencies (excluding guarantees given):

Translated value in thousands of euros	31/12/2012	31/12/2011
Euros	102 468	140 719
GBP	3 860	2 687
USD	6 909	4 275
Others	105	84
Total	**113 342**	**147 765**

NOTE 23 - MANAGEMENT OF INTEREST-RATE RISKS

Borrowings, excluding guarantees given, break down as follows:

	31/12/2012	31/12/2011
Fixed rate borrowings	19 118	10 749
Variable rate borrowings	94 224	137 016
Total	**113 342**	**147 765**

A 1% rate increase would result in a maximum additional interest expense, excluding hedges, of €942 thousand.

NOTE 24 - PROVISIONS

	31/12/2011	Allo-wance	Provision used in the period	Reversal of unused provision	Reclassifi-cation	Other Variation	Translation adjustment	31/12/2012
Provisions for product warranty	5 066	5 951	(5 133)	(819)	-	-	(48)	5 017
Provision for reorganisition	-	3 572	(3 246)	-	-	-	-	326
Provisions for litigations	5 336	1 338	(4 332)	(39)	(41)	-	(10)	2 252
Short-term portion of provision for pensions	27	-	-	-	7	-	-	34
Current provisions	**10 429**	**10 861**	**(12 711)**	**(858)**	**(34)**	**-**	**(58)**	**7 629**
Long-term portion of provision for pensions	2 150	381	(171)	-	(121)	675	2	2 916
Non-current provisions	**2 150**	**381**	**(171)**	**-**	**(121)**	**675**	**2**	**2 916**
Total provisions	**12 579**	**11 242**	**(12 882)**	**(858)**	**(155)**	**675**	**(56)**	**10 545**

The product warranty provision remains consistent. Indeed, the fleet increase on the machines under warranty by the Group in link with the growth is offset by reversal of provisions on specific risks.

The provision for reorganisation costs funded in the period represented mainly the restructuring of the Group’s manufacturing operations described in note 2, and covering primarily redundancy costs and write-downs of fixed assets in the second half. A provision remains of €59 thousand corresponding to costs relating to the discontinuation of our rental operations in Portugal that will be incurred in 2013.

The other allowances recorded in the year are notably relating to the recognition of tax and commercial risks.

Provisions for pensions

Refer to note 25

NOTE 25 - PENSION AND RELATED BENEFITS

Early adoption of Revised IAS 19 on 1 January 2012

As indicated in note 3.1 and 4.9 of significant accounting policies, Haulotte Group opted for the early adoption of Revised IAS 19 on 1 January 2012.

In consequence, the financial statements for fiscal 2011 were restated on a retrospective basis in accordance with the new rules for comparison purposes.

The following adjustments were made to the financial statements of fiscal 2011 relating to operating profit, tax and other comprehensive income:

- recognition of actuarial gains and losses arising in the year under «other comprehensive income»;
- recognition of the tax impacts relating to the previous items.

Main assumptions used for the valuation of liabilities

The only post-employment benefits of Group employees correspond to retirement severance benefits and long-service awards, mainly in the French entities.

Provisions are recorded for retirement liabilities according to the principles described in paragraph 4.9, taking into account the following assumptions.

	31 December 2012	**31 December 2011**
Turnover rate	Based on historical data available to the Group with no changes between the two periods.	
Rate of wage increases (according to seniority, the projected career profile, collective bargaining agreements, and long-term inflation rates)	2%	2%
Discount rate	3%	5%
Retirement age	Employees born before 1 January 1950 Management 62 Supervisors/Office Employees & Workers 60 Employees born after 1 January 1950 Management 65 Supervisors/Office Employees & Workers 63	

With respect to retirement severance payments, the scenario adopted is voluntary departure of employees whereby social charges are taken into account (45%). This calculation method complies with the framework of the Fillon Law (enacted on 21 August 2003, and amended by Law 2010-1330 of 9 November 2010 for the reform of retirement systems published in the French official journal on 10 November 2010).

The Group does not hold any plan assets.

Sensitivity of accumulated benefit obligations to changes in the discount rate

A general decline in the discount rate of 0.25 points would result in a 4.2% increase in benefit obligations.

Change in accumulated benefit obligations

	31 December 2012	As of 31 December 2011 – restated	31 December 2011 before the change in method
Present value of the commitment at the beginning of the period	**2 177**	**2 005**	**2 005**
Service costs of the year	93	245	263
Discount costs	63	58	58
Subtotal of amounts recognised in profit or loss	***156***	***303***	***321***
Benefits paid in the period	(195)	(151)	(151)
Subtotal of outflows (benefits and contributions paid by the employer)	***(195)***	***(151)***	***(151)***
Changes in assumptions	543	-	-
Actuarial (gains) and losses arising from experience adjustments	132	18	-
Translation adjustments	3	2	2
Subtotal amounts recognised in other comprehensive income	***678***	***20***	***2***
Reclassifications	(114)	-	-
Present value of the commitment at the end of the period	**2 702**	**2 177**	**2 177**

Analysis of the expense of the period

	31 December 2012	As of 31 December 2011 - restated	31 December 2011 before the change in method
Service costs of the year	93	245	263
Past service costs	-	-	-
Plan reductions and discontinuations	-	-	-
Total service costs	***93***	***245***	***263***
Discount costs	63	58	58
Interest income from plan assets	-	-	-
Total net interest	***63***	***58***	***58***
Total expense of the period recognised in the income statement	**156**	**303**	**321**

Breakdown of amounts recognised in Other Comprehensive Income

	31 December 2012	As of 31 December 2011 – restated	31 December 2011 before the change in method
Actuarial losses and (gains) arising from changes in demographic assumptions	13	-	-
Actuarial losses and (gains) arising from changes in financial assumptions	530	-	-
Actuarial (gains) and losses arising from experience adjustments	132	18	-
Return on plan assets (more than) / less than interest income	-	-	-
Total amounts recognised in other comprehensive income	**675**	**18**	**-**

Total amounts recognised in Other Comprehensive Income.

	31 December 2012	As of 31 December 2011 – restated	31 December 2011 before the change in method
Total amounts recognised in OCI at the beginning of the period	**18**	**-**	**-**
Revaluation of net liabilities / assets of the period	675	18	-
Total amounts recognised in OCI at the end of the period	**693**	**18**	**-**
Deferred taxes	(238)	(6)	-
Net amounts recognised in OCI at the beginning of the period	**455**	**12**	**-**

NOTE 26 - PAYABLES BY MATURITY

As mentioned in notes 3.2.2., 5.d) and 22, the syndicated credit loan debt was reclassified in the "less than 1 year" caption at December 2012 as at December 2011 after the breach of certain debt ratios at closing date.

31/12/2012	Amount	Less than 1 year	1 to 5 Years	More than 5 years
Bank borrowings	114 799	106 121*	8 678	-
Including leases obligations and other guarantees	*5 430*	*2 224*	*3 206*	-
Other loans and borrowings	1 560	154	1 406	-
Bank overdrafts	2 413	2 413	-	-
Accounts payable	34 519	34 519	-	-
Other current liabilities	24 147	24 147	-	-
Total	**177 438**	**167 354**	**10 084**	**-**

** including €61 873 thousand of syndicated credit loan reclassified in current liability after the breach of covenants*

31/12/2011	Amount	Less than 1 year	1 to 5 Years	More than 5 years
Bank borrowings	152 310	142 653*	9 657	-
Including leases obligations and other guarantees	*10 631*	*5 303*	*5 328*	-
Other loans and borrowings	766	279	487	-
Bank overdrafts	5 320	5 320	-	-
Accounts payable	53 108	53 108	-	-
Other current liabilities	22 790	22 790	-	-
Total	**234 294**	**224 150**	**10 144**	**-**

** including €85 526 thousand of syndicated credit loan reclassified in current liability after the breach of covenants*

NOTE 27 - OTHER CURRENT LIABILITIES

	31/12/2012	31/12/2011
Down payments received	1 956	1 370
Payables to fixed asset suppliers	20	35
Tax and employee-related liabilities	12 454	12 918
Prepaid income	714	979
Others	9 003	7 488
Total	**24 147**	**22 790**

NOTE 28 - DEFERRED TAXES

Deferred tax assets are offset by deferred tax liabilities generated in the same tax jurisdiction. Deferred taxes are recoverable within one year except those calculated on the fair value of rental equipment, provisions for pensions, translation adjustment on net investments in foreign operations, the development expenditures and depreciation period differences.

Deferred tax assets resulting from temporary differences or tax losses carried forward are recognised only to the extent that is really probable that future taxable profit will be available against which the temporary differences can be utilised. When this probability cannot be demonstrated, deferred tax assets are capped to the amount of deferred tax liabilities recognized on the same tax jurisdiction and deferred tax assets on tax losses carried forwared are not recognized.

At 31 December 2012, as at 31 December 2011 an estimate of how much tax losses carried forward will be used with the 3 next fiscal years was conducted for the parent company Haulotte Group SA and for the subsidiaries with a positif 2012 taxable income or close to 0 and with forecasts showing probability for tax losses carried forward to be used within this 3-years period. On the basis of these estimates, deferred tax assets relating to tax losses carried forward that are forecasted to be used within the 3 next years were recognized for a total tax amount of €7 494 thousand (€23 185 thousand of tax losses basis) compared to €5 226 thousand (€16 229 thousand of tax losses basis) in December 2011.

The global amount of tax losses carried forward for which no deferred tax assets were recorded amount to €176 947 thousand for the Group at 31 December 2012 (€157 313 thousand at 31 December 2011).

For all tax jurisdictions except those including Haulotte Group SA and the subsidiaries listed above (with a forecast of tax profit in the next 3 years and a positif taxable income for 2012 or close to 0), deferred tax assets were capped up to the amount of deferred tax liabilities with the same maturity. The amount of deferred tax assets that were therefore not recognized at 31 December 2012 is €2 247 thousand (€3 768 thousand at 31 December 2011).

Deferred taxes break down as follows:

	31/12/2012	31/12/2011
Deferred tax assets	**18 494**	**14 839**
relating to consolidation adjustment/consolidation entries	6 176	6 553
relating to tax temporary differences	7 069	6 828
relating to tax losses carried forward	7 496	5 226
impact of the capping of deferred tax assets	(2 247)	(3 768)
Deferred tax liabilities	**(10 886)**	**(9 837)**
relating to consolidation adjustment/consolidation entries	(10 035)	(9 596)
relating to tax temporary differences	(851)	(241)
Total net deferred taxes	**7 608**	**5 000**

	31/12/2012	31/12/2011
Deferred taxes from adjustments of the fair value of rental equipment	(1 006)	(1 046)
Deferred taxes from adjustments on finance leases and back-to-back leases	38	252
Deferred taxes from provisions of pensions	686	401
Deferred taxes from adjustments of internal margins on inventories and fixed assets	4 408	3 808
Deferred taxes from non-deductible provisions	3 205	3 493
Deferred taxes from differences in depreciation periods and R&D costs	(3 949)	(3 069)
Deferred taxes from tax losses	7 496	5 226
Deferred taxes from other consolidation adjustments	(2 713)	(2 270)
Deferred taxes from other temporary differences	1 690	1 973
Impact of the capping of deferred tax assets	(2 247)	(3 768)
Total	**7 608**	**5 000**

The change in net deferred tax breaks down as follows:

	31/12/2012	31/12/2011*
Opening net balance	**5 000**	**(942)**
Income / (loss) from deferred taxes	2 388	3 523
Deferred taxes recognised in other comprehensive income	309	(2 384)
Translation adjustment	(89)	4 778
Other changes	-	25
Closing net balance	**7 608**	**5 000**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 29 - SALES AND REVENUE

Note 41 on segment reporting provides with details on sales and revenue.

NOTE 30 - COST OF SALES

	31/12/2012	31/12/2011*
Production cost of sales	(262 534)	(242 207)
Change in inventory provisions	2 189	10 551
Warranty costs	(5 316)	(5 301)
Total	**(265 661)**	**(236 957)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 31 - GENERAL AND ADMINISTRATIVE EXPENSES

	31/12/2012	31/12/2011*
Administrative expenses	(31 107)	(31 192)
Amortisation of development expenditures	(1 139)	(2 505)
Management expenses	(11 495)	(10 639)
Others	(4 528)	(4 410)
Total	**(48 269)**	**(48 746)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 32 - RESEARCH AND DEVELOPMENT EXPENDITURES

	31/12/2012	31/12/2011*
Development expenditures recognised as intangible assets	2 340	1 762
Amortisation of development expenditures	(489)	(473)
Research tax credit	787	629
Development expenditures	(6 886)	(5 992)
Total	**(4 248)**	**(4 074)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 33 - EXCHANGE GAINS AND LOSSES

	31/12/2012	31/12/2011
Realised exchange gains and losses	(742)	905
Unrealised exchange gains and losses	(4 035)	(686)
Total	**(4 777)**	**219**

Realised and unrealised gains and losses from commercial transactions in foreign currencies presented above are recognised under the operating margin.

NOTE 34 - EXPENSES BY NATURE TO CURRENT OPERATING INCOME

	31/12/2012	31/12/2011*
Purchases of raw materials and other consumables and changes in finished products inventory	(175 345)	(156 831)
External charges	(75 769)	(74 826)
Taxes and related items	(9 300)	(5 047)
Staff costs	(67 385)	(66 709)
Net depreciation, impairment and provisions	(15 007)	(6 669)
Currency gains and losses	(4 777)	219
Other operating income and expenses	(1 443)	(3 822)
Total	**(349 026)**	**(313 685)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 35 - STAFF COSTS

	31/12/2012	31/12/2011*
Salaries and wages	(50 430)	(50 051)
Social security and related expenses	(16 841)	(16 501)
Employee profit-sharing	(14)	(8)
Pensions costs	(100)	(149)
Total	**(67 385)**	**(66 709)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Staff costs are allocated to the appropriate captions of the income statement by function.

NOTE 36 - OTHER OPERATING INCOME AND EXPENSES

	31/12/2012	31/12/2011
Net proceeds from asset disposals	(1)	131
Cost of litigation net of increases/ decreases in provisions	(359)	(1 968)
Manufacturing operations reorganisation costs (see note 2)	(4 669)	-
Costs of the discontinuation of rental operations in Portugal	(299)	-
Tax and customs audits	-	(215)
Insurance income	-	4 804
Impairment loss on VAT receivables	-	(220)
Miscellaneous adjustments for prior periods	(391)	-
Others	(240)	(348)
Total	**(5 959)**	**2 184**

NOTE 37 - COST OF NET FINANCIAL DEBT

	31/12/2012	31/12/2011
Interest expenses and fees on loans and bank overdrafts	(6 537)	(7 781)
Cost of transfers of financial assets – Note 2 and 16	(1 849)	-
Interests on leasing contracts	(377)	(319)
Net of interests on arrears on receivables and payables	9	121
Change in the fair value of financial derivative instruments	1 774	2 032
Others	(3)	-
Total	**(6 983)**	**(5 947)**

NOTE 38 - CORPORATE INCOME TAX

	31/12/2012	31/12/2011*
Current tax	(3 664)	(1 974)
Deferred tax	2 388	3 523
Total	**(1 276)**	**1 549**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2012, Haulotte France S.A.R.L, Haulotte Services and Telescopelle S.A.S.

Haulotte UK Ltd is the head of a UK tax consolidation that included on 31 December 2012, UK Platforms Ltd and Access Rentals (UK) Ltd.

Haulotte US Inc is the head of a US tax consolidation that included on 31 December 2012, BilJax and its subsidiaries.

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

NOTE 39 - EFFECTIVE INCOME TAX RECONCILIATION

The difference between the effective tax rate of -20.62 % (14.76 % in December 2011) and the standard rate applicable in France of 34.43 % breaks down as follows:

	31/12/2012		31/12/2011*	
Consolidated income before tax	(6 188)		(10 518)	
Tax (Income)/ Expense calculated at the tax rate applicable to the parent company's profit	**(2 131)**	**34 .43%**	**(3 622)**	**34 .43%**
Effect of differential in tax rates	(1 202)		325	
Effect of permanently non-deductible expenses or non-taxable income	2 357		2 340	
Effect of use of loss carry forwards previously not recognised	(477)		(584)	
Effect of tax assets not recognised	(566)		(1 332)	
Effect of the elimination of internal transactions on equity investments	(5 212)		(6 490)	
Effect of loss carry forwards not recognised	8 389		8 190	
Effect of tax consolidation and income tax credits	(435)		(47)	
Effect of the reversal of unused deferred tax assets	46		-	
Tax relating to previous years	(103)		(878)	
Others	610		549	
Effective tax (Income)/ Expense	**1 276**	**-20.62%**	**(1 549)**	**14.76%**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 40 - EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit or loss of the Group for the period by the weighted average number of shares outstanding during the period, excluding treasury shares acquired.

Diluted earnings per share are calculated by adjusting the weighted number of shares outstanding in order to take into account all shares issued on conversion of potentially dilutive securities, and notably stock options. A calculation is made to determine the number of shares acquired at fair value (the annual average for traded shares) according to the monetary value of rights attached to outstanding stock options. The resulting number of shares is then compared with the number of shares that would have been issued if the options have been exercised.

	31/12/2012	31/12/2011*
Net income for the Group in thousands of euros	**(7 169)**	**(8 713)**
Total number of shares	31 214 129	31 214 129
Number of treasury shares	1 837 823	1 837 823
Number of shares used for the earnings per share and the diluted earnings per share calculation	**29 376 306**	**29 376 306**
Earnings per share attributable to shareholders		
- basic	**(0.244)**	**(0.297)**
- diluted	**(0.244)**	**(0.297)**

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

NOTE 41 - SEGMENT REPORTING

Sales breakdown

Sales by business segment	31/12/2012	%	31/12/2011	%
Sales of handling and lifting equipment	277 276	78	233 123	76
Rental of handling and lifting equipment	45 918	13	42 714	14
Services [1]	32 547	9	31 085	10
Consolidated sales	**355 741**	**100**	**306 922**	**100**

[1] notably spare parts, repairs and financing

Sales by geographic segment	31/12/2012	%	31/12/2011	%
Europe	216 403	61	205 604	67
North America	52 643	15	41 365	14
Latin America	44 230	12	24 997	8
Asia Pacific	42 465	12	34 956	11
Consolidated sales	**355 741**	**100**	**306 922**	**100**

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Main indicators by business segment

The column « Others » includes items not allocated to the Group's three business segments as well as inter-segment items.

31 December 2012	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	*289 533*	*46 809*	*33 756*	-	*370 098*
Inter-segment revenue	*12 257*	*891*	*1 209*	-	*14 357*
Revenue from external customers	277 276	45 918	32 547	-	355 741
Operating profit	11 339	637	11 991	(23 218)	749
Assets					
Fixed assets	48 686	47 814	3 912	17 076	117 488
including goodwill	*15 105*	*4 974*	-	-	*20 079*
including intangible assets	*5 317*	-	*29*	*3 178*	*8 524*
including tangible assets	*28 261*	*42 797*	*3 883*	*11 946*	*86 887*
including financial assets	*3*	*43*	-	*1 952*	*1 998*
Trade receivables from financing activities	-	-	17 089	-	17 089
Including receivables from financing activities at more than one year	-	-	*11 142*	-	*11 142*
Including receivables from financing activities due within one year	-	-	*5 947*	-	*5 947*
Inventories	94 604	3 481	7 740	-	105 825
Trade receivables	38 785	16 062	28 254	1 758	84 859
Liabilities					
Trade payables	16 116	3 061	7 586	7 756	34 519
Bank borrowings	19 426	3 965	5 430	85 978	114 799
Other information					
Depreciation and impairment charge in the period	4 849	11 399	142	1 834	18 225

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31 December 2011*	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	*241 781*	*43 027*	*32 495*	-	*317 303*
Inter-segment revenue	*8 658*	*313*	*1 410*	-	*10 381*
Revenue from external customers	233 123	42 714	31 085	-	306 922
Operating profit	5 057	(95)	7 612	(17 153)	(4 579)
Assets					
Fixed assets	59 060	50 976	4 062	9 378	123 475
including goodwill	*15 402*	*5 368*	-	-	*20 770*
including intangible assets	*3 441*	-	*53*	*3 111*	*6 605*
including tangible assets	*40 217*	*45 608*	*4 009*	*5 300*	*95 134*
including financial assets	-	-	-	*966*	*966*
Trade receivables from financing activities	-	-	22 944	-	22 944
Including receivables from financing activities at more than one year	-	-	*15 987*	-	*15 987*
Including receivables from financing activities due within one year	-	-	*6 957*	-	*6 957*
Inventories	123 916	2 344	6 497	-	132 757
Trade receivables	43 565	18 214	26 823	(6 411)	82 191
Liabilities					
Trade payables	33 578	9 428	3 944	6 158	53 108
Bank borrowings	-	-	10 631	141 679	152 311
Other information					
Depreciation and impairment charge in the period	4 761	11 175	260	2 246	18 442

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

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Main indicators by geographic segment

The column « Others » includes items not allocated to the Group's four geographic segments as well as inter-segment items.

31 December 2012	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*273 725*	*54 151*	*45 068*	*49 374*	-	*422 318*
Inter-segment revenue	*57 322*	*1 508*	*838*	*6 909*	-	*66 577*
Revenue from external customers	216 403	52 643	44 230	42 465	-	355 741
Operating profit	(1 286)	2 440	(917)	2 449	(1 937)	749
Assets						
Fixed assets	83 355	22 952	10 374	807	-	117 488
including goodwill	*2 580*	*15 105*	*2 394*	-	-	*20 079*
including intangible assets	*8 517*	-	*1*	*6*	-	*8 524*
including tangible assets	*70 360*	*7 820*	*7 955*	*752*	-	*86 887*
including financial assets	*1 898*	*27*	*24*	*49*	-	*1 998*
Trade receivables from financing activities	15 143	652	-	1 294	-	17 089
Including receivables from financing activities at more than one year	*9 650*	*652*	-	*840*	-	*11 142*
Including receivables from financing activities due within one year	*5 493*	-	-	*454*	-	*5 947*
Inventories	70 435	15 276	9 554	10 560	-	105 825
Trade receivables	57 303	5 080	13 321	9 155	-	84 859
Liabilities						
Trade payables	30 520	1 779	284	1 936	-	34 519
Bank borrowings	107 831	6 908	-	60	-	114 799
Other information						
Depreciation and impairment charge in the period	16 118	942	968	197	-	18 225

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31 December 2011*	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*251 483*	*43 705*	*25 090*	*36 065*	-	*356 343*
Inter-segment revenue	*45 879*	*2 340*	*93*	*1 109*	-	*49 421*
Revenue from external customers	205 604	41 365	24 997	34 956	-	306 922
Operating profit	(3 968)	748	(671)	(481)	(207)	(4 579)
Assets						
Fixed assets	90 096	23 410	9 219	750	-	123 476
including goodwill	*2 580*	*15 402*	*2 788*	-	-	*20 770*
including intangible assets	*6 593*	-	*11*	*1*	-	*6 605*
including tangible assets	*80 056*	*7 970*	*6 403*	*705*	-	*95 134*
including financial assets	*867*	*38*	*16*	*44*	-	*966*
Trade receivables from financing activities	21 364	293	-	1 287	-	22 944
Including receivables from financing activities at more than one year	*14 772*	*409*	-	*806*	-	*15 987*
Including receivables from financing activities due within one year	*6 592*	*(116)*	-	*481*	-	*6 957*
Inventories	91 410	17 424	7 482	16 441	-	132 757
Trade receivables	61 875	4 780	6 877	8 659	-	82 191
Liabilities						
Trade payables	48 212	2 505	123	2 268	-	53 108
Bank borrowings	148 803	3 314	43	151	-	152 311
Other information						
Depreciation and impairment charge in the period	16 642	846	776	178	-	18 442

* Because the Group opted for anticipated application on the revised IAS 19 standard as at 1 January 2012, the financial statements for the 2011 fiscal year were restated in accordance with the new rules for comparison purposes.

Notes 42 to 44 provide with information regarding the cash flow statement.

NOTE 42 - ANALYSIS OF CHANGE IN WORKING CAPITAL

	31/12/2012	31/12/2011
Change in inventories	27 782	9 229
Change in provision for inventories	(2 146)	(10 163)
Change in trade receivables	(4 114)	(13 341)
Change in provision for trade receivables	426	262
Charge in trade payables	(18 833)	27 339
Change in other assets and liabilities	13 744	(4 571)
Total	**16 859**	**8 755**

NOTE 43 - ANALYSIS OF CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES

	31/12/2012	31/12/2011
Change in gross value	2 076	3 934
Change in provisions	(1 347)	(2 793)
Change in receivables from financing activities	**729**	**1 141**

Revenue from financing activities includes back-to-back arrangements, direct financing leases, lease payment obligations and risk pool commitments.

Transactions involving risk pool commitments and lease payment obligations by Haulotte Group SA represent transactions for which receivables and payables are fully offset. In consequence, they do not generate cash flow. The receivables and payables (for the same amount) are discharged as customers make lease payments to their financial institution. In consequence, these transactions are eliminated in the cash flow statement because they have no impact on net cash.

Changes in back-to-back lease arrangements and finance leases are presented as a cash component of the above business. In contrast, changes in the corresponding payable (fully matched by the receivable or resulting from a comprehensive financing arrangement after the back-to-back lease agreements were repurchased through a syndicated loan) are presented under cash flows from financing activities.

NOTE 44 - CASH COMPONENTS

	31/12/2012	31/12/2011
Cash on hand and deposit accounts	16 548	16 377
Money market funds and negotiable instruments	10	10
Cash and cash equivalent – balance sheet	**16 558**	**16 387**
Bank overdrafts	(2 413)	(5 320)
Cash and cash equivalent – cash flow statement	**14 145**	**11 067**

NOTE 45 - INFORMATION ON RELATED PARTIES

Related parties transactions

Solem S.A.S. is the majority shareholder of Haulotte Group S.A., with 55.93% of the share capital at 31 December 2012.

Solem paid to Haulotte Group S.A. income of €30 thousand in 2012 and €30 thousand in 2011, and invoiced charges of €644 thousand in 2012 and €604 thousand in 2011 corresponding to the expenses incurred for the Group by two Directors as described in the note below.

In 2012 Telescopelle paid €55 thousand to Solem (€55 thousand in 2011) under the terms of a financial recovery clause following a debt waiver granted on 31 December 2001 for €1.220 thousand. The debt waiver balance for which the payment is expected amounted to €855 thousand at 31 December 2012.

Fees allocated to directors and officers

Amounts allocated to Board members paid by the Group totalled €644 thousand for 2012 and €604 thousand for 2011.

This amount originates from funds invoiced by Solem S.A.S for the services rendered on behalf of the Group by two executives. It includes expenses incurred by those executives on behalf of the Group.

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 current or former executives.

NOTE 46 - OFF BALANCE-SHEET COMMITMENTS

	31/12/2012	31/12/2011
Repurchase commitments*	3 540	5 540
Portion of balance sheet debt secured by collateral**	88 340	134 606
Commitments given under repayment clauses	855	910

* Repurchase commitments cover guarantees for the residual values granted by the Group in connection with customer financing agreements

** Pledging of Haulotte Group S.A. goodwill, Haulotte UK and Equipro Inc. shares, current account between Haulotte Group S.A. and Haulotte US for US$30.000 thousand.

The breakdown of Group off-balance sheet commitments by maturity is as follows:

31/12/2012	Gross	1 to 5 years	à + d'un an et - de 5 ans	More than 5 years
Repurchase commitments	3 540	3 153	380	7
Portion of balance sheet debt secured by collateral	88 340	88 340	-	-

31/12/2011	Gross	1 to 5 years	à + d'un an et - de 5 ans	More than 5 years
Repurchase commitments	5 540	2 000	3 540	-
Portion of balance sheet debt secured by collateral	134 606	134 606	-	-

NOTE 47 - OFF BALANCE SHEET COMMITMENTS IN CONNECTION WITH ENTITLEMENTS TO INDIVIDUAL TRAINING BENEFITS (DIF)

	31/12/2012	31/12/2011
DIF (expressed in hours)	55 727	53 450

NOTE 48 - AVERAGE NUMBER OF EMPLOYEES

	2012	2011
Average headcount for the year	1 527	1 546

NOTE 49 - EARLY ADOPTION OF REVISED IFRS 19

This note summarises the main impacts of the first-time adoption of IAS 19 on the 2011 financial statements.

In light of the limited impact of the change of this standard on segment information, comparative information on this item will not be presented here.

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Reconciliation of the reported income statement with the restated income statement

	31/12/2011 Reported	Impact of IAS 19R	31/12/2011 Restated
Sales and revenue	306 922	-	306 922
Cost of sales	(236 979)	22	(236 957)
Selling expenses	(24 109)	(18)	(24 127)
General and administrative expenses	(48 742)	(4)	(48 746)
Research and development expenditures	(4 092)	18	(4 074)
Exchange gains and losses	219	-	219
CURRENT OPERATING INCOME	**(6 781)**	**18**	**(6 763)**
Other operating income and expenses	2 184	-	2 184
OPERATING INCOME	**(4 597)**	**18**	**(4 579)**
Cost of net financial debt	(5 947)	-	(5 947)
Other financial income and expenses	8	-	8
INCOME BEFORE TAXES	**(10 536)**	**18**	**(10 518)**
Income tax	1 555	(6)	1 549
NET INCOME	**(8 981)**	**12**	**(8 969)**
attributable to equity holders of the parent	(8 725)	12	(8 713)
Attributable to minority interests	(256)	-	(256)
Net earnings per share	**(0.30)**	**-**	**(0.30)**
Net diluted earnings per share	**(0.30)**	**-**	**(0.30)**

Reconciliation of the reported statement of comprehensive income with the restated statement of comprehensive income

	31/12/2011 Reported	Impact of IAS 19R	31/12/2011 Restated
Profit / (loss) for the year	(8 981)	12	(8 969)
Currency translation differences for cash items relating to net investments in foreign operations	3 919	-	3 919
Currency translation differences from financial statements of subsidiaries	3 255	-	3 255
Actuarial gains and losses on employee benefits	-	(18)	(18)
Income tax	(2 390)	6	(2 384)
Net income / (expense) recognised directly in equity	**4 784**	**(12)**	**4 772**
Total consolidated comprehensive income	**(4 197)**	**-**	**(4 197)**
attributable to equity holders of the parent	(3 938)	-	(3 938)
attributable to minority interest	(259)	-	(259)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2012

Reconciliation of the reported cash flow statement to the restated cash flow statement

	31/12/2011 Reported	Impact of IAS 19R	31/12/2011 Restated
Net income	**(8 981)**	**12**	**(8 969)**
Depreciation and amortisation	18 442	-	18 442
Change in provisions (except for current assets)	1 495	(18)	1 477
Change in financial derivative instruments fair value	(1 126)	-	(1 126)
Unrealised foreign exchange gains and losses	1 315	-	1 315
Change in deferred taxes	(3 555)	6	(3 549)
Gains and losses from disposals of fixed assets	(897)	-	(897)
GROSS CASH FLOWS FROM CONSOLIDATED OPERATIONS	**6 693**	**-**	**6 693**
Change in operating working capital	8 755	-	8 755
Change in receivables from financing activities	1 141	-	1 141
CASH FLOWS FROM OPERATING ACTIVITIES	**16 589**	**-**	**16 589**
Purchases of fixed assets	(14 756)	-	(14 756)
Proceeds from the sale of fixed assets, net of tax	2 819	-	2 819
Change in payables on fixed assets	(254)	-	(254)
CASH FLOWS FROM INVESTING ACTIVITES	**(12 191)**	**-**	**(12 191)**
Loan issues	18 311	-	18 311
Repayment of borrowings	(42 521)	-	(42 521)
CASH FLOWS FROM FINANCING ACTIVITIES	**(24 210)**	**-**	**(24 210)**
NET CHANGE IN CASH AND CASH EQUIVALENT	**(19 812)**	**-**	**(19 812)**
Opening cash and cash equivalents	30 789	-	30 789
Effect of exchange rate changes	90	-	90
Closing cash and cash equivalents	11 067	-	11 067
NET CHANGE IN CASH AND CASH EQUIVALENT	**(19 812)**	**-**	**(19 812)**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

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 consolidated 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 consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report 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 2012, on:

- the audit of the accompanying consolidated financial statements of Haulotte Group SA;
- the justification of our assessments;
- the specific verification required by law.

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

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in Note 2.1, 3.2.2 and 5.d) to the consolidated financial statements which state that negotiations with financial partners are in progress subsequent to the Company's failure to comply with financial ratios in the second half of 2012, in order to reach an agreement to maintain terms and conditions applicable to the loan.

II. JUSTIFICATION OF OUR ASSESSMENTS

Accounting estimates used for the preparation of the consolidated financial statements for the year ended 31 December 2012 were made in an economic context of continuing difficulty in assessing the economic outlook as described in Note 3.2.2. 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 matters:

Accounting estimates

Note 3.2.1 to the consolidated financial statements refers to the critical accounting estimates and judgments made by management. Our work consisted in examining the data and the assumptions upon which these estimates and judgments were made, comparing the accounting estimates for previous periods with actual figures, reviewing management approval procedures for these estimates and verifying that the assumptions and options selected by the Group are adequately disclosed in the notes to consolidated financial statements.

In addition, at the end of each reporting period, the Company systematically tests for impairment of goodwill in accordance with the methods described in Notes 4.1 and 9. We examined the methods of implementing these impairment tests as well as the cash flow forecasts and the assumptions used and we verified that Notes 4.1 and 9 provide appropriate disclosure.

Accounting policies

Note 4.6 relating to trade receivables describes the accounting methods applied to the sales transactions for which Haulotte Group provides a guarantee to banks in order to ease access to financing for its customers.

Our work consisted in verifying that the information disclosed in Note 4.6 is appropriate and that the accounting treatment described is correctly applied. We examined the procedures implemented by Haulotte Group to identify the relevant contractual commitments, obtained confirmation from financial institutions and obtained assurance, on a test basis, of the correct accounting treatment of these transactions.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

These assessments were made as part of our audit of the consolidated 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 VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified in the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Lyon and Paris, 25 April 2013
The Statutory Auditors

PricewaterhouseCoopers Audit	Hoche Audit
Elisabeth L'hermite	Dominique Jutier