



# management13

report

**Haulotte** 

GROUP

More than lifting

# EXCERPT OF THE MANAGEMENT REPORT

presented to the annual ordinary and extraordinary general meeting of 27 May 2014

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business sectors –Product offering – Market

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

Based on available data for the industry, the Company's market share contracted marginally reflecting notably a strong rebound in regions where Haulotte Group's presence is less significant. The worldwide market for aerial work platforms grew 16% in value between 2012 and 2013. Haulotte Group achieved growth in all geographical regions, particularly in Latin America and Asia-Pacific. Haulotte Group saw its revenue grow by 3% between 2012 and 2013

The Group focused its commercial efforts in growth regions while continuing to develop its services activities to achieve increased added value and customer satisfaction.

### Review of operations and results for the year under review

The fiscal year ended 31 December 2013 for which the accounts are submitted for approval to the ordinary general meeting is the company's twenty-nine year of operations since its creation.

In this period the company had sales of €172 million, and is up sharply compared to last year when it was 164 M€, Export sales accounting for 82% of the total.

### Presentation of statutory accounts

Highlights of the statutory accounts of Haulotte Group SA for 2013 are presented below:

FINANCIAL HIGHLIGHTS	FISCAL YEAR 2013	FISCAL YEAR 2012
REVENUES	172 219	164 263
OPERATING PROFIT	(15 143)	(15 436)
NET FINANCIAL INCOME (EXPENSE)	13 823	(8 266)
EXTRAORDINARY PROFIT (LOSS)	2 325	282
NET PROFIT (LOSS)	2 041	(22 558)

### Analysis of statutory results

2013 revenue of Haulotte Group SA rose to about 5% compared to last year.

Even though business volume has risen, operating results continue to show a loss, reflecting a modest deterioration in the margin, increases in selected fixed costs (temporary personnel, aftermarket services, commissions, outgoing freight costs) and allowances for the impairment of subsidiaries trade receivables.

Net financial income reflected inflows from the disposal of the rental equipment business in the United Kingdom.

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Net exceptional income resulted mainly from the disposal of tangible fixed assets.

The net profit for the period was €2 million.

## **Progress made or difficulties encountered**

Growth continued to be largely driven by Latin America and the Asia-Pacific region. The Services activity maintained robust growth momentum throughout the period and particularly in the last quarter that would appear to confirm the better usage rate for our machines among our equipment rental company customers.

## **Foreseeable changes in the company's situation and outlook**

The start of 2014 showed the first signs of pronounced recovery in commercial activity, particularly in Europe, resulting in significant order intake at the end of January 2014.

The foreseeable improvement in the net margin is mainly due to growth in volume combined with improved absorption of fixed production costs. Significant changes in component and overhead costs are not expected.

Efforts focusing on research and development will remain sustained.

Benefiting from the growth in volume and ongoing cost-containment measures, an operating profit should be achieved.

Net financial income and net income are also expected to be positive.

## **Important post-closing events**

On 4 February 2014, Haulotte Group SA signed a share purchase agreement for 50% of the shares of the distribution activity owned by one of the Turkish customers of the Group.

## **Comprehensive analysis of the Company's revenue, earnings and financial position, and notably debt with respect to the volume and complexity of business activity.**

Readers are invited to refer to the paragraphs 1-1 to 1-5 and 1-10 and 1-11.

## **Key risks and uncertainties**

Because the company outsources a significant share of its production, the sourcing capacities of its suppliers constitute a primary risk. To prevent risks of supply chain disruptions, the strategy of diversifying suppliers of key components must be pursued. Measures were implemented to monitor suppliers considered to represent a higher risk in order to secure the resumption of activity.

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Market risk is the second significant risk factor. The start of 2014 at the Group level highlighted a significant recovery for orders. On that basis, visibility has accordingly improved though caution continues to be required against the backdrop of a global environment marked by continuing uncertainties.

The third significant risk is the sensitivity of our sales to credit restrictions by financing markets. The current economic crisis had an impact on 2012 as the previous year.. For strategic customers, Haulotte Group will provide financing for a portion of sales, while maintaining trade receivable risks at reasonable levels.

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

The major share of the company's sales is generated through its distribution subsidiaries. Despite fierce competition, these subsidiaries have successfully maintained the level of sale prices for new products.

Discussions in the period with the banking syndicate made it possible to resolve issues resulting from the breach of certain financial ratios at the end of the previous reporting period. At 31 December 2013, all ratios were met.

At 31 December 2013, the outstanding amount for syndicated credit lines totalled €42.9 million with a remaining balance for the drawdown of an additional €54 million. At year-end, the Group had cash and cash equivalents of €18.5 million. The amendment to this syndicated loan agreement executed in July 2012 provides for payment of an instalment by the Group in July 2014 of €28 million.

Based on the level of cash resources and credit lines open and available at 31 December 2013 in conjunction with cash forecasts for the first few months of 2014, 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 2014 of the syndicated credit facility mentioned above.

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

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

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

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

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

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

## Research and development

Research and development efforts have been ramped leading to the launch in March 2013 of two new models of 4 wheel drive telescopic platforms, the HT23RTJ and the HT21RT, designed by the Company's engineering department in close collaboration with a panel of customers.

The medium-term objective of these efforts is to accelerate the rollout of new machines or renew our existing ranges in the years ahead.

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

In compliance with the provisions of article 223 quater of the French general tax code, accounts of the period ended include non-deductible expenses of €3 2496 with a corresponding tax of €10 831.

## Breakdown of trade payables of the Company by maturity

In compliance with the provisions of articles L.441-6-1 subsection 1 and D.441-4 of the French Commercial Code, a table is provided below providing the breakdown of outstanding trade payables by maturity for the fiscal year ended 31 December 2012 and 2013.

Due dates in 2013	Trade payables balance 31/12/2013 (€ thousands)	Trade payables balance 31/12/2012 (€ thousands)
January	14 295	20 181
February	9 923	10 929
March	2 130	2 392
April	1 216	1 086
<b>Total</b>	<b>27 564</b>	<b>34 588</b>

## Five-year financial summary

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

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## PROPOSED APPROPRIATION OF INCOME FOR THE YEAR

We hereby submit for your approval the annual financial statements (balance sheet, income statement and notes) as presented showing a profit for the year of €2 041 201,77.

We propose to distribute the full amount of the profit for the fiscal year ended 31 December 2013 in the form of dividends, or €2 041 201,77 increased by €2 640 917,53 deducted from accumulated profit in the «retained earnings» account, accordingly reduced from €17 536 990,75 to €14 896 073,22.

Total dividends would accordingly amount to €4 682 119,30 or €0.15 per share, payable as from the next general meeting and in accordance with statutory deadlines, it being specified that treasury shares held by the Company do not confer entitlement to dividends and the amount corresponding to dividends not paid on these shares will be allocated to the «retained earnings» account.

French resident individuals holding shares qualify for a 40% tax allowance for dividends based on the total amount.

## DIVIDENDS PAID FOR THE LAST THREE FISCAL YEARS

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

	Gross income eligible for tax allowance		Income not eligible for tax allowances	Tax allowance rate
	Dividends per share	Other distributions		
2010	None	None	None	None
2011	None	None	None	None
2012	None	None	None	None

## SUBSIDIARIES AND ASSOCIATES

### Acquisitions of shareholdings or controlling interests:

We inform you that the Company acquired interests in the company Haulotte India (creations held on a wholly-owned basis).

### Disposals of shareholdings related to adjustments of cross-shareholdings:

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

### Other disposals:

The Company has not sold any equity interests..

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## Activities of subsidiaries and controlled companies

At year-end, the company exercised controlling interests in 37 subsidiaries. The results of these subsidiaries are summarised below (thousands of euros):

Subsidiary	Ownership interest %	2013 sales Thousands of €	2012 sales Thousands of €	2013 Profit or Loss Thousands of €	2012 Profit or Loss Thousands of €
Haulotte France Sarl.	99,99%	46.547	53.121	834	1.462
Haulotte Services France Sarl	100% par Haulotte France sarl	-	-	-	-
Telescopelle SAS	100%	136	125	75	67
Haulotte Access Equipment Manufacturing (changzhou) co. Ltd	100%	15.056	10.750	208	1.155
Haulotte Argentina SA	95%	9.704	7.492	403	277
Haulotte Arges SRL	100%	50.792	33.800	5.079	4.932
Haulotte Australia Pty Ltd	100%	16.787	24.806	579	(391)
Haulotte Cantabria SL	99,98% et 0,02% par Haulotte Iberica S.L	18	26.655	(214)	(7.687)
Haulotte Do Brazil Ltda	99,98%	31.273	26.333	(5.844)	(3.920)
Haulotte Hubarbeitsbuehnen GmbH	100%	32.117	29.132	633	618
Haulotte Iberica S.L	98,71%	7.362	8.589	(589)	(3.341)
Haulotte Italia S.R.L.	99,00%	8.973	8.393	633	657
Haulotte Mexico SA de CV <sup>(2)</sup>	99,99%	6.840	4.378	303	71
Haulotte Middle East Fze	100%	12.898	6.941	1.309	805
Haulotte Netherlands B.V	100%	4.140	4.888	42	(41)
Haulotte Polska Sp Zoo	100%	5.411	4.069	299	231
Haulotte Portugal Plataformas de Elavacao Unipessoal Lda	100% par Haulotte Iberica S.L	-	-	-	-
Haulotte Scandinavia AB	100%	11.621	14.726	906	357
Haulotte Singapore Ltd	100%	12.581	14.554	417	608
Haulotte Trading (Shanghai) Co Ltd	100%	6.014	5.666	(27)	41
Haulotte UK Ltd	100%	9.407	12.091	(38)	(20)
Haulotte US Inc	100%	27.799	26.895	1.100	(324)
Haulotte Vostok OOO	100%	25.914	18.990	1.403	(395)

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Subsidiary	Ownership interest %	2013 sales Thousands of €	2012 sales Thousands of €	2013 Profit or Loss Thousands of €	2012 Profit or Loss Thousands of €
Horizon High Reach Limited	100%	7.718	7.193	710	935
Levanor Maquinaria de Elevacion SA	91%	1.047	1.253	(65)	(189)
Mundielevacao, Aluger e Transporte de Plataformas Lda	90% par Levanor	1.548	2.016	(124)	(1.443)
NO.VE. Srl	100%	7.343	7.103	(1.046)	(1.270)
N.D.U maquinaria y plataformas elevadoras, S.L	100% par Haulotte Iberica S.L	2.815	2.317	(836)	(1.931)
Equipro / Bil-Jax <sup>(1)</sup>	100% par Haulotte US Inc.	37.250	41.929	1.255	1.388
Haulotte Chile SPA	100 %	-	-	-	-
Horizon High Reach Chile SPA	100%	1.562	83	(524)	(216)
Haulotte India Private Ltd	100%	31	N/A	4	N/A

<sup>(1)</sup> Equipro/Bil-Jax Inc, Bil Jax Planking Systems Inc, Bil-Jax Service Inc, Seaway Scaffold and Equipment Inc. Scaffold Design and Erection Inc

<sup>(2)</sup> Incluant la société Haulotte Service SA de CV.

## INFORMATION ON COMMON STOCK

### Changes in share capital in fiscal 2013

On fiscal 2013 there is no change in share capital.

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

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

- Solem SAS held more than one half of the share capital (54,67%) and more than two thirds of the voting rights (72,53%);



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The following companies reported having crossed the disclosure thresholds provided for under the Articles of Association of 1% of the share capital or voting rights in the Company or any other multiple thereof:

- 18 November 2010: Norges Bank (2,01% of the share capital and voting rights).

## 6. OWN SHARES PURCHASED AND/OR SOLD BY THE COMPANY

In accordance with article L.225-211 subsection 2 of the new French Commercial Code, we inform you that in the fiscal year ended 31 December 2013, information on trading by the Company in its shares is provided below:

Number of shares purchased in fiscal 2013	0
Average purchase price of own shares in fiscal 2013	N/A
Execution fees	N/A
Number of shares sold in fiscal 2013	0
Average sale price of own shares in fiscal 2013	N/A
Number of shares cancelled in fiscal 2013	0
Number of treasury shares recorded at 31 December 2013	1 837 823
Percentage of treasury shares held at 31 December 2013	5,89%
Net carrying value of treasury shares at 31 December 2013	14 690 324 €
Nominal value of treasury shares at 31 December 2013	238 916,99 €
Market value of treasury shares at 31 December 2013 (share price of €10,85 at this date)	19 940 379 €

The breakdown by purpose for the use of own shares at 31 December 2013 was as follows:

Purposes of share buybacks	Number of shares
Maintaining an orderly market in the company's shares within the framework of a liquidity agreement based on the model contract drafted in accordance the French association of investment firms' (AFEI or Association Française des Entreprises d'Investissement) Code of Conduct of 8 March 2011 and approved by the AMF (Autorité des Marchés Financiers) on 21 March 2011;	139 418
Retaining such shares for subsequent use as a means of payment or exchange in connection with financial transactions or acquisitions, in compliance with applicable regulations;	1 629 558
Cancelling shares thus acquired, subject to adoption by the extraordinary shareholders' meeting of the resolution authorising the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company.	68 847
For employee stock option plans and other share grants in accordance with the provisions of article L.3332-1 et seq. et R.3332-4 of the French Labour Code or grants to employees and/or officers of the Company or companies covered by article L.225-197-2 of the French Commercial Code of shares of the Company or the grant of shares in connection with employee profit-sharing plans.	0
<b>TOTAL</b>	<b>1 837 823</b>

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

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## SHARE PRICE TRENDS AND TRADING ACTIVITY

At 31 December 2013, the Company's share capital was comprised of 31,214,129 shares.

The market capitalisation at 31 December 2013 was €341 483 million.

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

Date	High (Price)	High (Date)	Low (Price)	Low (Date)	Closing price	Average Price (opening)	Average Price (closing)	Trading volume	Capital (€m)	Number of trading sessions
jan. 2013	6 510	24 jan.	5 460	16 jan.	6 110	5 828	5 862	1 381 297	8 17	22
feb. 2013	7 330	25 feb.	5 910	05 feb.	7 090	6 508	6 550	1 329 949	8 90	20
march 2013	7 450	07 march	6 580	07 march	6 850	7 090	7 086	908 035	6 44	20
apr. 2013	6 890	05 apr.	5 550	18 apr.	6 350	6 317	6 295	757 436	4 78	21
may 2013	6 790	22 may	6 030	20 may	6 660	6 371	6 400	475 757	3 06	22
june 2013	6 850	14 june	6 050	24 june	6 410	6 520	6 519	297 924	1 96	20
july 2013	7 080	19 july	6 450	01 july	6 680	6 795	6 799	422 758	2 87	23
aug. 2013	7 260	30 aug.	6 400	05 aug.	7 100	6 774	6 822	761 572	5 20	22
sept. 2013	9 460	26 sept.	7 170	02 sept.	9 390	8 305	8 417	1 600 084	13 23	21
oct. 2013	10 830	02 oct.	8 520	28 oct.	9 020	9 604	9 619	1 210 773	11 49	23
nov. 2013	10 100	29 nov.	8 820	05 nov.	10 100	9 273	9 342	395 964	3 70	21
dec. 2013	10 940	31 dec.	9 700	04 dec.	10 940	10 246	10 344	627 089	6 40	20
<b>Highs, lows and averages for ther period</b>										
	10 940	31 dec.	5 460	16 jan.		7 465	7 500	847 387	6 35	
<b>Total</b>								10 168 638	76 19	255

In the period ended, the Haulotte Group share traded between a range of a high of €10,94 (December 31, 2013) and a low of €5,46 (January 16, 2013).

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## DIRECTORS AND OFFICERS

### Shareholdings of directors and officers:

At 31 December 2013, the shareholdings of corporate officers were as follows:

- Pierre Saubot, Chairman of the Board of Directors and Chief Executive Officer: 13 189 actions, or 0,042% of the capital,
- Alexandre SAUBOT, Director and Deputy Chief Executive Officer, 990 shares or 0,003% of the share capital.

### List of corporate appointments:

OFFICERS	APPOINTMENTS HELD IN THE COMPANY	APPOINTMENTS HELD IN OTHER COMPANIES
Pierre SAUBOT	Chairman of the Board of Directors  Chief Executive Officer	<ul style="list-style-type: none"><li>• General Manager of SOLEM SAS</li><li>• Representative of HAULOTTE GROUP, Chairman of TELESCOPELLE SAS,</li><li>• Manager of Société Commerciale du Cinquau,</li></ul>
Alexandre SAUBOT	Chief Operating Officer Director	<ul style="list-style-type: none"><li>• Chairman of the Board of SOLEM SAS,</li><li>• Representative of HAULOTTE GROUP, Chairman of TELESCOPELLE SAS,</li><li>• Manager of HAULOTTE FRANCE SARL,</li><li>• Manager HAULOTTE SERVICES FRANCE SARL,</li><li>• Co-Manager of SCI LANCELOT,</li><li>• Director of Haulotte Netherlands BV,</li><li>• Director of Haulotte Iberica,</li><li>• Director of Haulotte Portugal,</li><li>• Director of Haulotte Scandinavia,</li><li>• Director of Haulotte Italia,</li><li>• Manager of Haulotte GmbH,</li><li>• Director of Haulotte Polska,</li><li>• Manager of Haulotte UK,</li><li>• Manager of UK Platforms,</li><li>• Manager of UK Training,</li><li>• Manager of Haulotte Australia,</li><li>• Chairman of Haulotte US,</li><li>• Manager of Haulotte Singapour,</li><li>• Representative of HAULOTTE GROUP,</li><li>• Sole director of Haulotte Cantabria,</li></ul>

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Alexandre SAUBOT	Chief Operating Officer Director	<ul style="list-style-type: none"> <li>• Director of Haulotte Arges,</li> <li>• Chairman of Haulotte Trading (Shanghai) co. Ltd,</li> <li>• Director of Haulotte Mexico,</li> <li>• Chairman of Locav Srl, Nove Srl,</li> <li>• Manager of Haulotte Middle East,</li> <li>• Sole director of HHR.</li> </ul>
Elisa SAUBOT	Director	<ul style="list-style-type: none"> <li>• NONE</li> </ul>
Hadrien SAUBOT	Director	<ul style="list-style-type: none"> <li>• General Manager of SOLEM SAS,</li> </ul>
José MONFRONT	Director	<ul style="list-style-type: none"> <li>• Director of société Haulotte Trading Shanghai co.Ltd.</li> </ul>
Michel BOUTON	Director	<ul style="list-style-type: none"> <li>• Chairman of PVI,</li> <li>• Chairman of PVI HOLDING SA,</li> <li>• Chairman of ESCAL (subsidiary of PVI),</li> <li>• Chairman of SOVIBUS</li> </ul>
Bertrand BADRE	Director until March 18th 2013	<ul style="list-style-type: none"> <li>• Chief financial officer of Société générale,</li> <li>• Member of the General Management Committee Société générale,</li> <li>• Director of SOFIOUEST SA,</li> <li>• Director of SIPA,</li> <li>• Member of Supervisory Board of Eurazeo.</li> </ul>

## Compensation of corporate officers

Compensation and benefits of any nature granted in fiscal 2013 to each corporate officer by the Company, companies over which it exercises control and the controlling company as understood under article L.233-16 of the French Commercial Code breaks down as follows:

Corporate officers	Fixed compensation (*) in euros		Variable compensation (*) in euros		Benefits in-kind
	2013	2012	2013	2012	
Pierre SAUBOT	97 500 €	97 500 €	5 000 €	15 000 €	-
Alexandre SAUBOT	312 000 €	312 000 €	10 000 €	40 000 €	-
Elisa SAUBOT	-	-	-	-	-
Hadrien SAUBOT	-	-	-	-	-
Michel BOUTON	-	-	-	-	-
José MONFRONT	-	-	-	-	-
Bertrand BADRE	-	-	-	-	-

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

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

Corporate officers do not benefit from a special pension scheme.

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

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

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

Executives of the Company have not informed the Company of any transactions in shares they hold in the Company, either directly or through persons with whom they have close personal relations in the fiscal period ended 31 December 2013.

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

Members of the Executive Committee «considered as officers» in have not informed the Company of any transactions in the shares they hold in the Company in the fiscal year ended 31 December 2013.

## **Transactions involving shares of the company by persons having close personal ties within the meaning of Article L.621-18-2 c) of the French Financial and Monetary Code with persons mentioned under items 8.4 and 8.5**

None.

## **EMPLOYEE STOCK OWNERSHIP**

In compliance with article L. 225-102 of the French Commercial Code, we inform you that no shares are held according to the provisions of these articles.

### **Bonus shares granted to company employees**

In fiscal 2013 no bonus shares were granted to employees of the company.

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

We inform you that no stock options or stock purchase options were granted to employees of the Company in the fiscal year ended 31 December 2013.

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## **INFORMATION HAVING A POTENTIAL IMPACT IN THE EVENT OF TAKEOVER BIDS ARTICLE L.225-100-3 OF THE FRENCH COMMERCIAL CODE**

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

### **Capital structure of the company**

SOLEM, the majority shareholder of the company, is itself held by the Saubot family. At 2013 year-end, the capital structure of the company was as follows:

A la clôture de l'exercice 2013, la structure du capital est la suivante :

- Solem: 54,67% of the share capital (and 72,53% of the voting rights);
- Holders of bearer shares: 38,22% of the share capital (and 25,36% of the voting rights);
- Holders of registered shares: 1,65% du capital (and 2,11% of the voting rights);
- Treasury shares: 5,44% of the share capital.

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

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

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

### **Holders of shares conferring special control rights and a description thereof**

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

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

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

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

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## **Rules concerning the appointment and replacement of directors**

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

### Appointment of directors:

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

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

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

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

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

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

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

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

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

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

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

### Replacement of directors:

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

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

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

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

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## **Rules governing the modification of the company's Articles of Association**

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

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

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

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

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

The ordinary general meeting authorises the Board of Directors, with the possibility to delegate said authority to its chairman to purchase shares of the company on or off market by any means representing not more than 10% of the company's capital stock (and subject to a maximum of 5% of the share capital for the purpose of acquiring shares for subsequent use as a means of payment or exchange in connection with mergers, demergers or contributions). This authorisation is granted for a maximum of eighteen (18) months and may also be used during takeover bids or tender offers.

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

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

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

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

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

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

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



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

In accordance with the provisions of article L.225-100 subsection 4 of the French Commercial Code we inform you that the table listing delegations of authority or powers remaining in force and granted by the General Meeting to the Board of Directors in respect to capital increases, in compliance with articles L.225-129-1 and L.225-129-2 of said code is included in Appendix 3 of this report.

## **PROPOSAL TO AUTHORISE THE BOARD OF DIRECTORS TO PURCHASE AND SELL SHARES OF THE COMPANY**

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

Acquisitions shall be made for the purpose to:

- Maintain an orderly market in the company's shares within the framework of a liquidity agreement based in compliance with the AMAFI on 8 March 2011 and concluded with an investment service provider acting in an independent manner;
- Retain such shares for subsequent use as a means of payment or exchange in connection with financial transactions or acquisitions, in compliance with applicable regulations;
- Cancelling shares thus acquired, subject to adoption of the resolution authorising the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company;
- For employee stock option plans and other share grants in accordance with the provisions of article L.3332-1 et seq. and R.3332-4 of the French Labour Code or grants to employees and/or officers of the Company or companies covered by article L.225-197-2 of the French Commercial Code of shares of the Company or the grant of shares in connection with employee profit-sharing plans.

This authorisation would be granted under the following conditions:

- The total number of shares purchased by the Company under this authorisation may not exceed 10% of the share capital, as adjusted to take into account equity transactions that may affect this amount after the decision of the general meeting and excluding treasury shares. However, when shares are repurchased to promote the liquidity of the share in accordance with the conditions defined by the AMF General Regulation, the number of shares that may be taken into account to calculate this 10% limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid. Furthermore, the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution, may not exceed 5% of the share capital on the basis of the amount that may be adjusted to take into account equity transactions undertaken after the decision of the general meeting;
- La Société ne pourrait acheter ses propres actions qu'à un prix au plus égal à 20 euros.
- The Company may only purchase its own shares for a price of not more than €20;
- The Company may sell, assign or transfer all or part of these shares thus acquired by any means.

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

The maximum amount of funds that may be authorised for this share buyback program shall be set at €62,428,258.

This authorisation shall be granted for eighteen months and would replace and supersede the prior authorisation granted by the combined shareholders' meeting of 24 May 2012.

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

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

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

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

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

This authorisation is granted for eighteen months and replaces and supersedes the prior authorisation granted by the extraordinary shareholders' meeting of 24 May 2012.

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## **PROPOSAL TO GRANT AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY MEANS OF ISSUING ALL SECURITIES GIVING PRESENT OR FUTURE RIGHTS TO THE CAPITAL MAINTAINING THE PREFERENTIAL SUBSCRIPTION RIGHTS OF SHAREHOLDERS**

We propose that the Board of Directors be delegated authority by you in accordance with the provisions of article L.225-129, L.225-129-2, L.228-91 and L.228-92 et seq. of the French commercial code (Code de Commerce) to increase the share capital through the issuance of securities in any form, with the categories of said securities to be determined by the Board of Directors.

Such delegation of authority shall subsequently permit the Company to proceed with the issuance of securities more rapidly, at the most opportune time with respect to the situation of financial markets and the Company's strategy.

In consequence, we propose that you grant the Board of Directors' the authority to:

- on the one hand, increase the share capital, on one or more occasions, in amounts and at such times it chooses, in France or in other countries, by issuing all forms of securities giving immediate or future access to a percentage of the share capital to be subscribed and paid for in cash or by offsetting debt due and payable of the Company, for a maximum total amount of 10% of the current share capital of the Company or €405 783. Under this authorization, the Board of Directors shall not be permitted to issue preferred shares or securities giving immediate or future access to preferred shares;
- on the other hand, increase the share capital, on one or more occasions, through the capitalization of reserves, earnings, issue premium or any other item that may be capitalized, by increasing the par value of existing shares or creating new bonus shares of the same class as existing shares and, subject to a maximum nominal amount equal to 10% of the Company's current share capital or €405 783, it being specified that this limit shall be added to the limit set forth above.

It is furthermore specified that for each of these maximum nominal amounts mentioned above, may be added the maximum nominal amount of ordinary shares to be issued, as applicable, for adjustments to be made in accordance with legal and regulatory provisions and applicable contractual provisions, to preserve the rights of holders of securities giving access to the share capital.

In addition, the total maximum nominal amount of debt securities giving access to the share capital may not exceed this limit.

Securities that may be issued under this authority shall retain the preferential rights of shareholders to subscribe for shares or securities issued on the basis of irrevocable entitlement.

In addition, the Board of Directors may grant shareholders the right to subscribe to excess shares without trading rights, i.e. on a non-preferential basis, (à titre réductible) over and above the number of the shares they were entitled to by exercising their irrevocable entitlement, in proportion to said rights and within the limit of their demand;

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We also request that you authorize the Board of Directors, if applications for shares on the basis of irrevocable entitlement and for excess shares without trading rights fail to account for the entire issue of shares or securities, in addition to the provisions provided for under article L.225-134 of the French commercial code, to offer all or part of the securities not taken up to the public.

This authority shall be granted to the Board of Directors for a period of twenty-six months who shall have all powers, that it may further delegate in accordance with the provisions provided for by law, for implementation, and notably for the purpose of:

- determining the issue procedures and the form and characteristics of securities to be created;
- setting the issue price and conditions, in accordance with applicable laws and regulations for each category of securities concerned, the amounts to be issued, the date of record, including on a retroactive basis, of the securities to be issued;
- deciding that the fractional rights in the case of issues of shares through the capitalization of reserves, earnings or issue premium, shall not be negotiable and that the corresponding shares will be accordingly sold on the market;
- determining the procedures for the payment of the shares or securities to be issued;
- when applicable, providing for the conditions for their repurchase on the market and the option for suspending the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months, as well as setting the procedures for preserving the rights of holders of securities giving access to the share capital, in compliance with applicable laws and regulations.

Furthermore, the Board of Directors, that may further delegate this authority in accordance with the provisions provided for by law, may, when applicable, proceed with all charges to share premium and notably, resulting from issues, in general, take all useful measures, conclude all agreements to ensure the successful completion of the issues under consideration, formally recognize the capital increase(s) resulting from any issue carried out under the authorization and amend the by-laws in consequence.

In the case of the issue of debt securities, the Board of Directors shall be vested with all powers, which it may further delegate in turn in accordance with the provisions provided for by law, for deciding whether they are subordinated or not, set their interest rate, term, the fixed or variable redemption price, with or without premium, the redemption procedures according to market conditions and the conditions under which the securities will give rights to the Company's shares and other issuance procedures.

## **PROPOSAL TO GRANT AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH A PUBLIC OFFER BY ISSUING ALL SECURITIES GIVING PRESENT OR FUTURE RIGHTS TO THE CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS**

In accordance with the provisions of articles L.225-129, L.225-129-2, L.225-135, L.225-136 and L.228-91 et seq. of the French commercial code, we request that you set, within the framework of the authority

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for increasing the share capital presented to you about, the amount of the capital increase that may be carried out by cancelling the preferential subscription rights of existing shareholders.

As an issue of securities through a public offering, the preferential subscription rights may be cancelled in favour of persons whose identities are not disclosed.

- the total maximum nominal amount of the share increase or increases that may result from the issue, without preferential subscription rights, of shares giving immediate and/or future access to a percentage of the share capital may be set at 10% of the Company's current share capital or €405 783, whereby it is specified that for each of the maximum nominal amount mentioned above, may be added the maximum nominal amount of ordinary shares to be issued, as applicable, for adjustments to be made in accordance with legal and regulatory provisions and applicable contractual provisions, to preserve the rights of holders of securities giving access to share capital

In addition, the total maximum nominal amount of debt securities giving access to share capital may be set at €405 783.

The above may not exceed the unused portion of the total maximum amounts authorized under the grant of authority referred to above.

In compliance with article R.225-119 of the French commercial code and subject to the special authorization submitted to you, the amount reverting or that shall revert to the Company for each of the shares that will be issued or created by subscription, conversion, exchange, redemption, exercise of warrants or other means, must at least equal the average weighted price of the last three trading sessions preceding its fixing date, which may be reduced by a maximum discount of 5%.

We also request that you provide for the option of issuing securities either in euros or in another currency, within the maximum amount authorized in euros or the exchange value on the issue date.

We also request that you cancel the preferential subscription rights of shareholders that may be issued under this grant of authority, by allowing the Board of Directors the option of granting shareholders in accordance with articles L.225-135 subsection 5 and R.225-131 of the French commercial code a priority period of three trading days to subscribe for this issue, in proportion to their share of the capital. If the Board of Directors considers opportune, this priority period may be exercised on the basis of irrevocable entitlement for exact rights or on a non-preferential basis for excess shares without trading rights.

We duly note that this delegation entails a waiver of preferential subscription rights of shareholders to all securities giving access to the capital in turn giving rights to securities and themselves issued without preferential subscription rights, and notably shares issued by the conversion of bonds or the exercise of warrants.

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We also request that you grant full powers to the Board of Directors, which the latter may further delegate as provided for by law, for the purpose of implementing this authority and notably:

- determining the issue procedures and the form and characteristics of securities to be created;
- setting the issue price and conditions, the amounts to be issued, the date of record, including on a retroactive basis, of the securities to be issued;
- determining the procedures for the payment of the shares or securities to be issued;
- when applicable, providing for the conditions for their repurchase on the market and the option for suspending the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months, as well as setting the procedures for preserving the rights of holders of securities giving access to the share capital, in compliance with applicable laws and regulations.

Furthermore, the Board of Directors, that may further delegate this authority in accordance with the provisions provided for by law, may, when applicable, proceed with all charges to share premium and notably, those resulting from issues, in general, take all useful measures, conclude all agreements to ensure the successful completion of the issues under consideration, formally recognize the capital increase(s) resulting from any issue carried out under this authorization and amend the by-laws in consequence.

In the case of the issue of debt securities, the Board of Directors shall be vested with all powers, which it may further delegate in turn in accordance with the provisions provided for by law, for deciding whether they are subordinated or not, set their interest rate, term, the fixed or variable redemption price, with or without premium, the redemption procedures according to market conditions and the conditions under which the securities will give rights to the Company's shares.

We duly note that an additional report shall be produced by the Board of Directors when it uses this authority granted by the General Meeting for the purpose of:

- describing the final conditions of the issue established in accordance with the authorization granted by the Extraordinary General Meeting;
- determining, in accordance with the provisions of article R.225-115 of the French commercial code, the impact of the proposed issue on the situation of each shareholder with respect to his or her interest in the share capital.

Similarly, the Statutory Auditors of the Company will produce an additional report provided for under article R.225-116 of the French commercial code.

These additional reports will be made available to you at the registered office no later than 15 days after the meeting of the Board of Directors and brought to your attention at the next general meeting.

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## **PROPOSAL TO GRANT AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL THROUGH A PRIVATE PLACEMENT WITHIN THE MEANING OF L.411.2 II FRENCH FINANCIAL AND MONETARY CODE BY ISSUING ALL SECURITIES GIVING PRESENT OR FUTURE RIGHTS TO THE CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS**

In accordance with the provisions of articles L.225-129, L.225-129-2, L.225-135, L.225-136 and L.228-91 et seq. of the French commercial code, we request that you set, within the framework of the authority for increasing the share capital as presented, the amount of the capital increase that may be carried out by cancelling the preferential subscription rights of existing shareholders.

As an issue of securities through a private placement within the meaning of article L.411.2 II of the French Financial and Monetary Code, the preferential subscription rights may be cancelled in favour of persons whose identities are not disclosed.

The total maximum nominal amount of the share increase or increases that may result from the issue, without preferential subscription rights, of shares giving immediate and/or future access to a percentage of the share capital may be set at an amount equal to 10% of the Company's current share capital or €405 783, whereby it is specified that for each of the maximum nominal amount mentioned above, may be added the maximum nominal amount of ordinary shares to be issued, as applicable, for adjustments to be made in accordance with legal and regulatory provisions and applicable contractual provisions, to preserve the rights of holders of securities giving access to share capital

The total maximum nominal amount of debt securities giving access to the share capital may be set at 10% of the Company's current share capital €405 783.

It is specified that the total maximum amount the capital increase or capital increases carried out through a private placement within the meaning of article L.411.2 II of the French Financial and Monetary Code shall be limited to 20% of the share capital per year in accordance with article L.225-136 3° of the French commercial code.

The above may not exceed the unused portion of the maximum amounts authorized under the grant of authority referred to in paragraph «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF SECURITIES ISSUED CANCELING THE PREFERENTIAL SUBSCRIPTION RIGHTS WITHIN THE FRAMEWORK OF THE ABOVE AUTHORIZATIONS».

In compliance with article R.225-119 of the French commercial code and subject to the special authorization submitted to you, the amount reverting or that shall revert to the Company for each of the shares that will be issued or created by subscription, conversion, exchange, redemption, exercise of warrants or other means, must at least equal the average weighted price of the last three trading sessions preceding its fixing date, which may be reduced by a maximum discount of 5%.

We also request that you provide for the option of issuing securities either in euros or in another currency, within the maximum amount authorized in euros or the exchange value on the issue date.

In addition, we request that you cancel the preferential subscription rights of shareholders that may be issued under this grant of authority, by allowing the Board of Directors the option of granting shareholders

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in accordance with articles L.225-135 subsection 5 and R.225-131 of the French commercial code, a priority period of at least three trading days to subscribe for this issue, in proportion to their share of the capital. If the Board of Directors considers opportune, this priority period may be exercised on the basis of irrevocable entitlement for exact rights and on a non-preferential basis for excess shares without trading rights.

We duly note that this delegation entails a waiver of preferential subscription rights of shareholders to all securities giving access to the capital in turn giving rights to securities and themselves issued without preferential subscription rights, and notably shares issued by the conversion of bonds or the exercise of warrants;

We also request that you grant full powers to the Board of Directors, which the latter may further delegate as provided for by law, for the purpose of implementing this authority and notably to:

- determining the issue procedures and the form of securities to be created;
- setting the issue price and conditions, the amounts to be issued, the date of record, including on a retroactive basis, of the securities to be issued;
- determining the procedures for the payment of the shares or securities to be issued;
- when applicable, provide for the conditions for their repurchase on the market and the option for suspending the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months, as well as setting the procedures for preserving the rights of holders of securities giving access to the share capital, in compliance with applicable laws and regulations.

Furthermore, the Board of Directors, that may further delegate this authority in accordance with the provisions provided for by law, may, when applicable, proceed with all charges to share premiums and notably, those resulting from issues, in general, take all useful measures, conclude all agreements to ensure the successful completion of the issues under consideration, formally recognize the capital increase(s) resulting from any issue carried out under this authorization and amend the by-laws in consequence.

In the case of the issue of debt securities, the Board of Directors shall be vested with all powers, which it may further delegate in turn in accordance with the provisions provided for by law, for deciding whether they are subordinated or not, set their interest rate, term, the fixed or variable redemption price, with or without premium, the redemption procedures according to market conditions and the conditions under which the securities will give rights to the Company's shares.

We duly note that an additional report shall be produced by the Board of Directors when it uses this authority granted by the General Meeting for the purpose of:

- describing the final conditions of the issue established in accordance with the authorization granted by the Extraordinary General Meeting;
- determining, in accordance with the provisions of article R.225-115 of the French commercial code, the impact of the proposed issue on the situation of each shareholder with respect to his or her interest in the share capital.



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Similarly, the Statutory Auditors of the Company will produce an additional report provided for under article R.225-116 of the French commercial code.

These additional reports will be made available to you at the registered office no later than 15 days before the meeting of the Board of Directors and brought to your attention at the next general meeting.

## **AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF SECURITIES ISSUED CANCELING THE PREFERENTIAL SUBSCRIPTION RIGHTS WITHIN THE FRAMEWORK OF THE ABOVE AUTHORIZATIONS**

To permit the Board of Directors, in the event of excess demand on take-up of capital increases that may be carried out under the authorities granted above by paragraphs «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF SECURITIES ISSUED CANCELING THE PREFERENTIAL SUBSCRIPTION RIGHTS WITHIN THE FRAMEWORK OF THE ABOVE AUTHORIZATIONS», «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS», and «PROPOSED AUTHORIZATION AND POWERS TO BE GRANTED TO THE BOARD OF DIRECTORS TO PROCEED WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES PARTICIPATING IN AN EMPLOYEE STOCK OWNERSHIP PLAN», we request that you authorize the Board, at its sole discretion, to increase the number of shares to be issued in accordance with the provisions of articles L.225-135-1 and I' R.225-118 of the French commercial code.

On this basis, the Board of Directors shall be able to increase, within the maximum amount provided for under paragraphs «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO SET THE ISSUE PRICE OF SECURITIES ISSUED CANCELING THE PREFERENTIAL SUBSCRIPTION RIGHTS WITHIN THE FRAMEWORK OF THE ABOVE AUTHORIZATIONS», «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS», and «PROPOSED AUTHORIZATION AND POWERS TO BE GRANTED TO THE BOARD OF DIRECTORS TO PROCEED WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES PARTICIPATING IN AN EMPLOYEE STOCK OWNERSHIP PLAN», the number of shares to be issued, within the limit of 15% for each issue and at the same price adopted for the initial issue.

## **AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS**

It is duly noted that if the Board of Directors implements the authorizations granted above under paragraph «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS», and «PROPOSED AUTHORIZATION AND POWERS TO BE GRANTED TO THE BOARD OF DIRECTORS TO PROCEED WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES PARTICIPATING IN AN EMPLOYEE STOCK OWNERSHIP PLAN», the amount reverting or that shall revert to the Company for each

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of the shares that will be issued or created by subscription, conversion, exchange, redemption, exercise of warrants or other means, must at least equal the average weighted price of the last three trading sessions preceding its fixing date, which may be reduced by a maximum discount of 5% in accordance with article R.225-119 of the French commercial code.

However, in accordance with the provisions of article L.225-136 of the French commercial code, it is requested that you authorize the Board of Directors to set the issue price of securities issued within the framework of the authorizations granted above under paragraphs «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS», and «PROPOSED AUTHORIZATION AND POWERS TO BE GRANTED TO THE BOARD OF DIRECTORS TO PROCEED WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES PARTICIPATING IN AN EMPLOYEE STOCK OWNERSHIP PLAN», within a limit of 10% the share capital per year, determined on the date of the Board of Directors' decision and adjusted for the impact of corporate actions occurring after the general meeting, at a price that may not be less than the amount chosen by the Board of Directors.

## **AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS**

In accordance with the provisions of articles L.225-147, L.225-148, L.225-129 to L.225-129-6 et L.228-92 of the French commercial code, it is requested that you grant authority to the Board of Directors, that may in turn delegate such authority as provided for by law, if it considers opportune, for a period of twenty-six months from the date of the general meeting, to proceed with, within the limit of the unused portion of the maximum amounts set above under paragraphs «AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS CONSIDERATION FOR SHARES TENDERED TO THE COMPANY IN CONNECTION WITH PUBLIC EXCHANGE OFFERS», and «PROPOSED AUTHORIZATION AND POWERS TO BE GRANTED TO THE BOARD OF DIRECTORS TO PROCEED WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES PARTICIPATING IN AN EMPLOYEE STOCK OWNERSHIP PLAN», the issue, without preferential subscription rights for shareholders, of all securities giving immediate and/or future access to a percentage of the share capital for the purpose of:

(c) in accordance with the provisions of article L.225-147 subsection 6 of the French commercial code and within the limit of 10% of the share capital, payment as consideration for equity securities or other securities tendered to the company and giving access to the share capital when the provisions of article L.225-148 of the French commercial code are not applicable;

(d) in accordance with the provisions of article L.225-148 of the French commercial code, payment of securities tendered to the Company, within the framework of a public exchange offer initiated in France or another country by the Company for the securities of a company whose shares are admitted for trading on a regulated market as stipulated by said article.

We duly note that this delegation entails a waiver of preferential subscription rights of shareholders to all securities giving access to the capital that in turn shall give rights to securities and themselves issued without preferential subscription rights;

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It is also requested that the Board of Directors be granted all powers, which it may further delegate as provided for by law, for the purpose of implementing this authority and notably to:

- set the issue date and procedures, the amount of the issue, the form and characteristics of the securities to be created, the issue price and conditions, and notably share exchange ratio, and when applicable, the balance to be paid in cash, the amounts to be issued, the record date, even retroactively, for the securities to be issued, determine the conditions for their repurchase on the market and suspend the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months, as well as set the procedures for preserving the rights of holders of securities giving access to the share capital, in compliance with applicable laws and regulations.
- proceed, when applicable, with all charges to share premiums and notably, those resulting from issues, and in general, take all useful measures, conclude all agreements to ensure the successful completion of the issues under consideration, formally recognize the capital increase(s) resulting from any issue carried out under this authorization and amend the by-laws in consequence.

## **PROPOSED AUTHORIZATION AND POWERS TO BE GRANTED TO THE BOARD OF DIRECTORS TO PROCEED WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES PARTICIPATING IN AN EMPLOYEE STOCK OWNERSHIP PLAN**

It is noted, in compliance with articles L.225-129-6 of the French commercial code and L.3332-18 to L.3332-24 of the French labour code that with every capital increase, the Board of Directors is henceforth required to submit a draft resolution for a capital increase to be carried out in accordance with the provisions of articles L.3332-18 to L.3332-24 of the French labour code relating to capital increases reserved for employees participating in an employee savings plan to be created or a company investment fund to be formed within this framework.

In light of the authorizations to be granted to the Board of Directors to increase the share capital submitted for your approval, it is requested that you grant your authorization for a period of 26 months from the date of the general meeting to the Board of Directors to increase the share capital, on one or more occasions, in proportions and at such times it considers appropriate, by a maximum nominal amount of €125 500,18 payable in cash.

In accordance with the provisions of article L.225-138-1 of the French commercial code, it is requested that you cancel the preferential subscription rights for the shares to be issued in favor of the company investment fund to be set up within the framework of the employee savings plan to be created.

The new shares will carry the same rights as existing shares for their owners.

The subscription price of new ordinary shares determined in accordance with the provisions of articles L.3332-18 to L.3332-24 of the French labour code shall be set based on the trading price and may not exceed the average price of the 20 trading days preceding the decision setting the beginning of the subscription period, nor less than 20% this average (or 30% when the waiting period provided for by the plan in accordance with article L. 3332-19 of the French labour code is greater than or equal to 10 years); The decision setting the subscription date is made by the Board of Directors.

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The capital increase may be carried out only for the actual amount of shares taken up.

The period that may be granted to parties taking up the issue for payment of the capital for their shares may not exceed three years.

Shares taken up may be paid up in accordance with provisions provided for by law.

All powers shall be granted to the Board of Directors for decisions with respect to this capital increase and notably, for the purpose of:

- establishing the list of beneficiaries and the number of shares to be granted to each, within the maximum amount provided set by the general meeting;
- determining the date and procedures for issues that may be carried out under this authorization in compliance with the provisions of the law and the by-laws;
- formerly record completion of the capital increases for the amounts of shares actually subscribed for under this authorisation;
- performing, directly or through an agent, all transactions and formalities;
- making the corresponding amendments to the by-laws with respect to increases in the share capital;
- and, in general, take all measures that are necessary or useful for this purpose.

In accordance with the provisions of article L.225-138-II of the French commercial code, the Statutory Auditors of the Company have produced a report on the procedures for setting the issue price that will be presented to you.

We duly note that an additional report shall be produced by the Board of Directors when they use this authority that may be granted by the General Meeting for the purpose of:

- describing the final conditions of the issue established in accordance with the authorization granted by the Extraordinary General Meeting;
- determining, in accordance with the provisions of article R.225-115 of the French commercial code, the impact of the proposed issue on the situation of each shareholder with respect to his or her interest in the share capital.

Similarly, the Statutory Auditors of the Company will produce an additional report provided for under article R.225-116 subsection 2 of the French commercial code.

These additional reports will be made available to you at the registered office no later than 15 days before the meeting of the Board of Directors and brought to your attention at the next general meeting.

We nevertheless inform you that this capital increase has been proposed exclusively for the purpose of complying with legal provisions and that a capital increase of this nature does not fall within the scope of the Company's plans. For this reason, we propose that the resolution for proceeding with a capital increase be rejected.

In compliance with article R.225-113 of the French Commercial Code, information on the conduct of corporate affairs of the company as of the year in progress is provided in this report.

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## GROUP MANAGEMENT REPORT

### Situation of the group of companies included in the consolidation

Companies included in the scope of consolidation are listed in the section «Activities of subsidiaries and controlled companies» of this report.

La situation de ces sociétés est décrite dans le tableau figurant au paragraphe 4-4 du présent rapport.

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

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

No changes were made in the presentation of the consolidated financial statements or methods of valuation applied in prior years.

### Review of consolidated operations

The Group's financial statements have been prepared in accordance with IFRS as adopted by the European Union on 31 December 2013.

In fiscal 2013 the Group had revenue of €342,7 million, up from €331,9 million in 2012, an increase of 3% between the two years.

Restated to eliminate the adverse foreign exchange impact of the period which came to €7,4 million, sales in 2013 grew 5,5%. This growth continued to be largely driven by Latin America (+26%) and the Asia-Pacific region (+9%).

The Services activity maintained robust growth momentum throughout the period (+11% over the full year) and particularly in the last quarter (+27%) that would appear to confirm the better usage rate for our machines among our equipment rental company customers.

### Foreseeable changes in the Group's situation and outlook

The beginning of 2014 shows the first signs of a significant recovery of the business, particularly in Europe, which resulted in a significant rise in order books in the first months of the year. Overall, the global market growth in 2014 should be similar to that observed in 2013. This should allow Haulotte Group to show growth of its revenue more than 10% in 2014 and an improvement in its EBIT.

Priorities for 2014 include adding market share in selected regions, ongoing efforts in innovation and improving the performance of our Services business.

### Progress made or difficulties encountered

Key areas of progress in this period by the Group concerned firstly strong growth in sales in South America, Russia and the Middle East. Excluding the disposal of the UK equipment rental business, the Group successfully achieved ongoing improvements in operating profit throughout the period. Finally, another significant area of progress concerned the very significant reduction in debt which has been divided by two and a half from 31 December 2012.

The main challenges concerned the volatility of foreign exchange rates which significantly impacted results for the period, particularly in the second half.

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

On 4 February 2014, Haulotte Group SA signed a share purchase agreement for 50% of the shares of the distribution activity owned by one of the Turkish customers of the Group.

## Comprehensive analysis of revenue, earnings and financial position of consolidated operations, and notably debt with respect to the volume and complexity of their business activity.

Group results for the period break down as follows:

€ Million	FY 2013	FY 2012
<b>CONTINUING OPERATIONS</b>		
Revenue	342,7	331,9
Current operating income from continuing operations	13,1	6,0
Operating profit/(loss) from continuing operations	11,0	0,0
Pre-tax profit from continuing operations	8,9	(5,6)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>1,1</b>	<b>(6,7)</b>
<b>INCOME/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>8,0</b>	<b>(0,8)</b>
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>9,1</b>	<b>(7,5)</b>
Net income attributable to the Group	9,1	(7,2)

Current operating income from continuing operations of the Group rose significantly to reach €13,1 million, up from €6,0 million in 2012. Excluding currency gains and losses, as a percentage of sales it rose to 5,2%, up from 3,3% for 2012. This improvement is mainly attributable to the impact of additional volumes on the gross margin, improved manufacturing performance and effective control over fixed costs.

Non-current items for the prior period included mainly the costs of restructuring manufacturing operations amounting to €4,7 million at the consolidated level. For the fiscal year ended 31 December 2013, these were mainly comprised of impairment charges of €3,7 million for a portion of goodwill for the North American CGU plus capital gains from asset disposals.

On that basis, operating profit from continuing operations registered strong growth to reach €11 million. Net income from continuing operations at 31 December 2013 came to €1,1 million, compared to a loss of €6,7 million in 2012.

Income from discontinued operations corresponds to the contribution to the consolidated results of the subsidiaries UK Platforms and Access Rentals on the disposal date of these operations plus the capital

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gain registered for the period at €8,6 million from the disposal of these operations.

At 31 December 2013, the consolidated net income for the period was €9,1 million compared to a loss of €7,5 million in 2012.

Group debt was significantly reduced in the period, down from €102,2 million at 31 December 2012 to €41,6 million at 31 December 2013. Debt of the Group is mainly borne by Haulotte Group S.A. with a syndicated credit facility. At 31 December 2013, Haulotte Group was in compliance with its commitments vis-à-vis its banks under the terms of its syndicated credit facility agreement.

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

The main material risks and uncertainties that could have a material impact on the Group identified at 31 December 2013 relate on the one hand to the market risk, to the monetary environment of the Group and, on the other hand, items relating to its liquidity situation.

Fiscal year 2013 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 and consequently to market risks. The start of 2014 is pointing towards a significant recovery of the business, particularly in Europe, resulting in a significant increase in order books. This should allow Haulotte Group to show more than 10% revenue growth in 2014, thanks to gains of new market shares. The Group maintains its policy of a centralised management of foreign exchange, and pays specific attention to the variation of foreign currencies on its main markets, as these could significantly affect its financial performance.

As described in consolidated financial statements, the final instalment in the repayment of the syndicated loan of the Group is July 2015 and all obligations for the Group as per this contract are met at 31 December 2013. Discussions will be undertaken with the banking syndicate from 2014 first semester with the purpose of extending the maturity of this credit facility.

The liquidity risk is described in detail in consolidated financial statements. Based on the level of cash resources and credit lines open and available at 31 December 2013 compared with cash forecasts for the first few months of 2014, 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 2014 for an amount of €28 million.

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

The Group exposure is largely limited to credit and liquidity risk.

### *a) 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.

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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 (described in consolidated financial statements).

## *b) 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 :*

Discussions held during the year with the financial partners allowed to resolve the event of default of certain financial ratios recognized at the previous end of the year closing. At 31 December 2013, all ratios are respected.

At 31 December 2013, the outstanding amount for syndicated credit lines totalled €42,9 million with a remaining balance for a drawdown of an additional €54 million. At year-end, the Group had cash and cash equivalents of €18,5 million. The amendment to this syndicated loan agreement executed in July 2012 provides for payment of an instalment by the Group in July 2014 of €28,0 million.

Based on the level of cash resources and credit lines open and available at 31 December 2013 in conjunction with cash forecasts for the initial months of 2014, 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 2014 of the syndicated credit facility mentioned above.

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

Financial instruments used by the Group are destined to cover its foreign exchange and interest rate risks.

## *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



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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).

## **Research and development**

Research and development has remained an important focus of Group efforts for several years. Innovation processes have been defined as one of the strategic processes of the Group. The objective of this process is to propose new products or renew existing lines to address the needs of its customers.

In 2013, these efforts led to worldwide launches in March of two new models of 4 wheel drive telescopic platforms, the HT23RTJ and the HT21RT, designed by the Company's engineering department in close collaboration with a panel of customers.

## **The Board of Directors**

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## ANNEXE 1 : FIVE-YEAR FINANCIAL SUMMARY

Closing date Duration of fiscal year (months)	31/12/2013 12	31/12/2012 12	31/12/2011 12	31/12/2010 12	31/12/2009 12
<b>SHARE CAPITAL AT YEAR-END</b>					
Common stock	4 057 837	4 057 837	4 057 837	4 057 837	4 054 917
Number of outstanding shares					
- ordinary shares	31 214 129	31 214 129	31 214 129	31 214 129	31 191 669
- treasury shares	1 837 823	1 837 823	1 837 823	1 837 823	1 837 823
- dividend-right shares	29 376 306	29 376 306	29 376 306	29 376 306	29 353 846
Maximum number of future shares to be created					
- from conversion of bonds					
- from subscription rights					
<b>OPERATIONS AND RESULTS</b>					
Sales excluding taxes	172 218 956	164 262 857	151 314 901	98 346 721	98 339 134
Earnings before taxes, employee profit	(22 946 984)	(13 818 444)	(7 928 263)	(16 752 897)	(20 963 067)
Earnings before taxes, employee profit	(1 035 718)	(861 848)	(629 610)	(12 355 039)	(14 229 161)
Corporate income tax					
Employee profit-sharing	(23 952 467)	9 601 242	24 732 911	22 347 831	20 306 515
Depreciation and provisions					
Net Result	2 041 202	(22 557 838)	(32 031 564)	(26 745 690)	(27 040 421)
Distributed earnings					
<b>EARNINGS PER SHARE</b>					
Earnings after taxes, employee profit - Earnings after taxes, employee profit	(0,70)	(0,42)	(0,23)	(0,14)	(0,22)
Earnings after tax, employee profit-sharing - Depreciation and provisions	0,07	(0,72)	(1,03)	(0,86)	(0,87)
Distributed dividends					
<b>EMPLOYEES</b>					
Average number of employees for the fiscal year	557	586	614	637	682
Total payroll	21 211 881	22 340 779	19 959 309	16 209 296	16 868 511
Total benefits paid (social security, welfare benefits, etc.)	9 793 129	9 564 167	9 022 863	7 217 931	7 169 440

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## ANNEXE 2 :

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

DATE OF THE GENERAL MEETING HAVING GRANTED THE AUTHORITY	Contenu de la délégation consentie	USE OF THE AUTHORITY IN THE PERIOD ENDED
24/05/2012 (resolution eight)	<p><b>Grant of authority to the Board of Directors to increase the share capital by means of issuing all securities giving present or future rights to the capital, maintaining the preferential subscription rights of shareholders:</b></p> <ul style="list-style-type: none"><li>- term: twenty-six months from 24 May 2012 until 23 July 2014.</li><li>- maximum authorised amounts:<ul style="list-style-type: none"><li>- €405 783 for the issue of securities to be subscribed for in cash;</li><li>- €405 783 for the issue of securities and capital increases through the capitalisation of reserves, earnings and additional paid-in capital</li><li>- €405 783 for the issue of debt securities giving rights to the share capital</li></ul></li><li>- grant of authority to the Board of Directors, which it may further delegate as provided for by law, for the purpose of implementing the authority and notably to:<ul style="list-style-type: none"><li>• set the issue date and procedures as well as the form and characteristics of the securities to be created, the issue price and conditions, the amounts to be issued, the record date, even retroactively, for the securities to be issued, decide that the fractional rights in the case of issues of shares through the capitalisation of reserves, earnings or additional paid in capital shall not be negotiable and the corresponding shares will be accordingly sold on the market, determine the procedures for payment of the shares issued, and provide for, as applicable, the terms for their repurchase on the market and the possibility for the suspension of the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months as well as setting the procedures for preserving the rights of holders of securities giving future access to the share capital, in compliance with applicable laws and regulations;</li><li>• proceed with all charges to share premium and notably, formally recognise completion of the capital increase(s) and amend the Articles of Association in consequence;</li><li>• in the case of the issue of debt securities, decide whether they are subordinated or not, set their interest rate, term, the fixed or variable redemption price, with or without premium, the redemption procedures according to market conditions and the conditions under which the securities will give rights to the Company's shares.</li></ul></li></ul>	NONE

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24/05/2012 (resolution nine)	<p><b>Grant of authority to the Board of Directors to increase the share capital through a public offer by issuing all securities giving present or future rights to the capital, without preferential subscription rights for existing shareholders:</b></p> <ul style="list-style-type: none"><li>- term: twenty-six months from 24 May 2012 until 23 July 2014.</li><li>- maximum authorised amounts:<ul style="list-style-type: none"><li>- €405 783 for the issue of securities to be subscribed for in cash for the capital increase(s) through a public share offer;</li><li>- €405 783 for the issue of securities giving access to the share capital;</li></ul></li><li>- grant of authority to the Board of Directors, which it may further delegate as provided for by law, for the purpose of implementing the authority and notably to:<ul style="list-style-type: none"><li>• set the issue date and procedures as well as the form and characteristics of the securities to be created, the issue price and conditions, the amounts to be issued, the record date, even retroactively, for the securities to be issued, determine the procedures for payment of the shares issued, and provide for, as applicable, the terms for their repurchase on the market and the possibility for the suspension of the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months as well as setting the procedures for preserving the rights of holders of securities giving future access to the share capital, in compliance with applicable laws and regulations;</li><li>• proceed with all charges to share premium and notably, formally recognise the capital increase(s) and amend the Articles of Association in consequence;</li><li>• in the case of the issue of debt securities, decide whether they are subordinated or not, set their interest rate, term, the fixed or variable redemption price, with or without premium, the redemption procedures according to market conditions and the conditions under which the securities will give rights to the Company's shares.</li></ul></li></ul>	NONE
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24/05/2012 (resolution ten)	<p><b>Grant of authority to the Board of Directors to increase the share capital through a private placement by issuing all securities giving present or future rights to the capital, without preferential subscription rights for existing shareholders:</b></p> <ul style="list-style-type: none"><li>- term: twenty-six months from 24 May 2012 until 23 July 2014.</li><li>- maximum authorised amounts:<ul style="list-style-type: none"><li>- €405 783 for the issue of securities to be subscribed for in cash for the capital increase(s) through a private placement with qualified investors in accordance with the provisions of Article 'L.225-136 3° of the French commercial code within the limit of 20% of the share capital per year;</li><li>- €405 783 for the issue of debt securities giving access to the share capital;</li></ul></li><li>- issue price: this amount shall equal the weighted average price of the last three trading sessions preceding the fixing, that may be subject to a discount not to exceed 5%.</li><li>- grant of authority to the Board of Directors, which it may further delegate as provided for by law, for the purpose of implementing the authority and notably to:<ul style="list-style-type: none"><li>• set the issue date and procedures as well as the form and characteristics of the securities to be created, the issue price and conditions, the amounts to be issued, the record date, even retroactively, for the securities to be issued, determine the procedures for payment of the shares issued, and provide for, as applicable, the terms for their repurchase on the market and the possibility for the suspension of the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months as well as setting the procedures for preserving the rights of holders of securities giving future access to the share capital, in compliance with applicable laws and regulations;</li><li>• proceed with all charges to share premium and notably, formally recognise the capital increase(s) and amend the Articles of Association in consequence;</li><li>• in the case of the issue of debt securities, decide whether they are subordinated or not, set their interest rate, term, the fixed or variable redemption price, with or without premium, the redemption procedures according to market conditions and the conditions under which the securities will give rights to the Company's shares.</li></ul></li></ul>	NONE
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	<ul style="list-style-type: none"> <li>- the Board of Directors is authorised to set the issue price of securities issued within a limit of 10% of the share capital per year, and adjusted for the the potential impact of subsequent corporate actions, at a price that may not be less than the amount decided by the Board of Directors, or:</li> <li>- the volume-weighted average price of the share for the trading session preceding the fixing of the issue price,</li> <li>- the volume-weighted average price of the share for the 20 trading sessions preceding the fixing of the issue price,</li> <li>- subject in both cases to a maximum possible discount of 5% and within the limit of their nominal value.</li> </ul>	
24/05/2012 (resolution thirteen)	<p><b>Authority granted to the Board of Directors to increase the share capital as consideration for equity securities or other securities giving access to the share capital and tendered as contributions in kind to the Company in connection with public exchange offers:</b></p> <ul style="list-style-type: none"> <li>- term: 26 months from 24 May 2012 until 23 July 2014.</li> <li>- maximum amount: the unused portion of amounts provided for under the above grants of authority</li> <li>- purpose: in consideration for:             <ol style="list-style-type: none"> <li>1) contributions in kind of equity securities or other securities giving access to the capital granted to the Company, within the limit of 10% of the share capital (adjusted where applicable)</li> <li>2) contributions of securities tendered to the Company within the framework of a public exchange offer initiated in France or another country by the Company for the securities of a company whose shares are admitted for trading on a regulated market</li> </ol> </li> <li>- grant of authority to the Board of Directors, which it may further delegate as provided for by law, for the purpose of implementing the authority and notably to:             <ul style="list-style-type: none"> <li>• set the issue date and procedures for issues, the form and characteristics of the securities to be created, the issue price and conditions, and notably the share exchange ratio, and when applicable, the balance to be paid in cash, the amounts to be issued, the record date, even retroactively, for the securities to be issued, determine the conditions for their repurchase on the market and suspend the exercise of allotment rights for shares attached to securities to be issued for a period that may not exceed three months, as well as set the procedures for preserving the rights of holders of securities giving access to the share capital, in compliance with applicable laws and regulations.</li> <li>• proceed with all charges to share premium and notably, formally recognise the capital increase(s) and amend the Articles of Association in consequence;</li> </ul> </li> </ul>	NONE

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24/05/2012 (resolution fourteen)	<b>Grant of authority to the Board of Directors to proceed with a capital increase through the issuance of shares reserved for employees participating in a company savings plan and canceling the preferential subscription rights of shareholders in favor of employees:</b> <ul style="list-style-type: none"><li>- term: 26 months from 24 May 2012 until 23 July 2014.</li><li>- maximum amount: €125 500.18</li><li>- maximum amount: 965 386 ordinary shares with a par value of €0,13 per share</li><li>- grant of authority to the Board of Directors, which it may further delegate as provided for by law, for the purpose of implementing the authority and notably to: establish the list of beneficiaries and the number of shares to be granted to each; determine the date and procedures for issues that may be carried out under this authorisation in compliance with the provisions of the law and the Articles of Association and, notably set the subscription price in compliance with the rules defined above, the opening and closing date of these subscription period, and the delay for the payment of shares; record the completion of the capital increases according to amounts actually subscribed; perform, directly or through an agent, all transactions and formalities; make the corresponding amendments to the Articles of Association with respect to increases in the share capital; and in general, undertake all necessary actions for the finalisation of the capital increase or successive capital increases of the share capital.</li></ul>	NONE
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