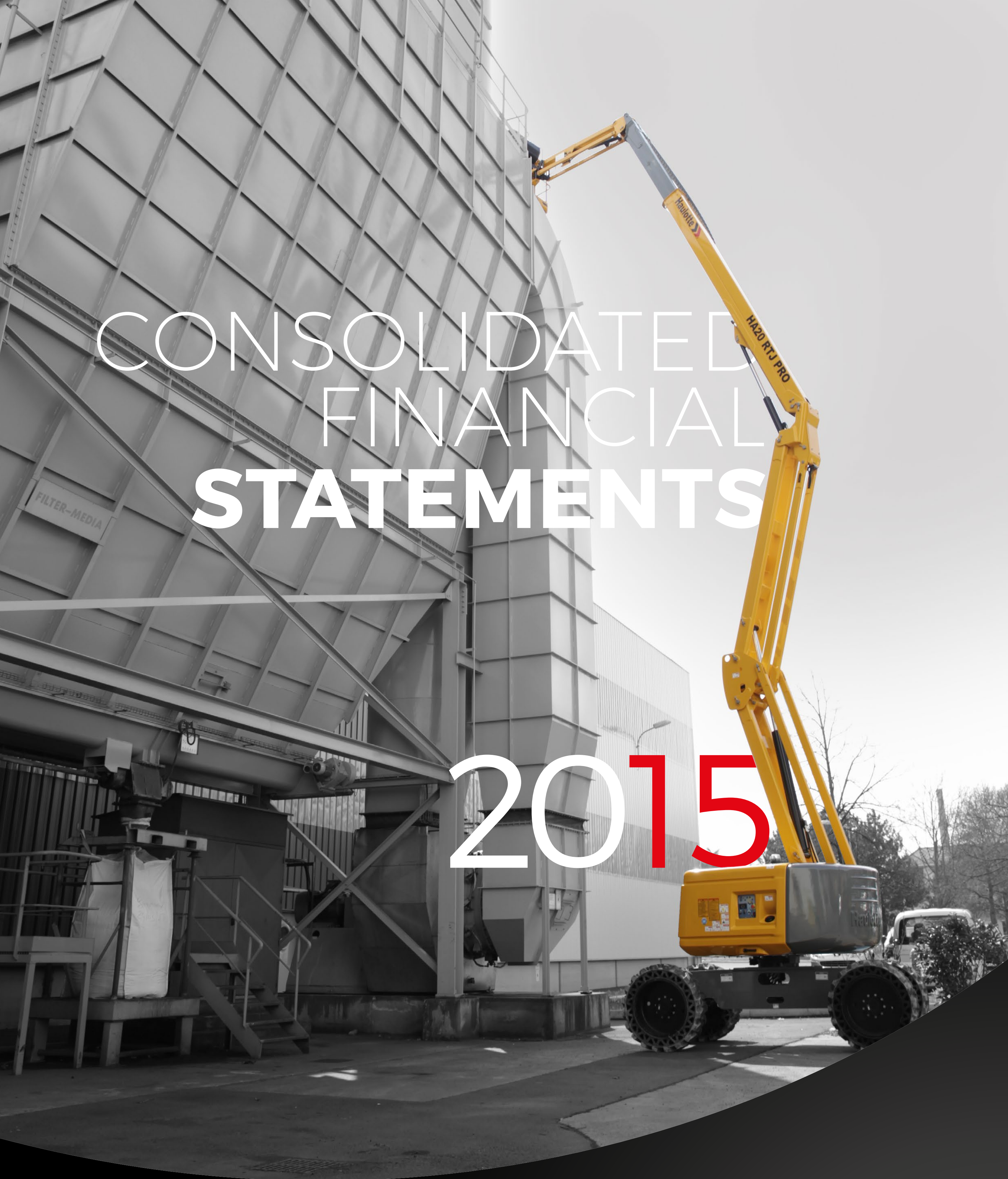
CONSOLIDATED FINANCIAL **STATEMENTS**

2015



Haulotte GROUP

More than lifting

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED BALANCE SHEET - ASSETS

In thousands of euros

	Note	31/12/2015	31/12/2014
Goodwil	8	17 399	16 393
Intangible assets	9	17 088	13 110
Property, plant and equipement	10	56 210	55 116
Investment in affiliates	11	8 093	7 261
Financial assets	12	4 382	2 475
Deferred tax assets	28	17 292	15 464
Trade receivables from financing activities exceeding one year	14	15 033	7 354
Other non current assets		-	-
NON CURRENT ASSETS (A)		**135 497**	**117 173**
Inventory	13	103 578	108 101
Trade receivables	14	125 386	105 252
Trade receivables from financing activities due in less than one year	14	9 630	6 319
Other assets	15	22 294	21 120
Cash and cash equivalents	19	26 746	19 978
Financial derivative instruments	20	-	2 213
CURRENT ASSETS (B)		**287 634**	**262 983**
TOTAL ASSETS (A+B)		**423 131**	**380 156**

Notes 1 to 47 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET - LIABILITIES

In thousands of euros

	Note	31/12/2015	31/12/2014
Share capital	21	4 064	4 058
Share premiums	21	92 814	92 043
Consolidated reserves and income		124 683	100 590
SHAREHOLDERS'EQUITY BEFORE MINORITY INTERESTS (A)		**221 561**	**196 691**
Minority interests (B)		(484)	(464)
TOTAL EQUITY		**221 077**	**196 227**
Long-term borrowings	22	61 176	75 652
Deferred tax liabilities	28	12 396	11 062
Provisions	24	4 504	4 328
NON-CURRENT LIABILITIES (C)		**78 076**	**91 042**
Trade payables	26	60 264	43 710
Other current liabilities	27	21 892	22 345
Current borrowings	22	33 852	18 418
Provisions	24	7 706	8 367
Financial derivative instruments	20	264	48
CURRENT LIABILITIES (D)		**123 978**	**92 888**
LIABILITIES AND SHAREHOLDERS'EQUITY (A+B+C+D)		**423 131**	**380 156**

Notes 1 to 47 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

In thousands of euros

	Note	31/12/2015		31/12/2014	
Sales and revenue	29	445 334	100%	412 576	100%
Cost of sales	30	(330 070)	-74,1%	(304 432)	-73,8%
Selling expenses		(29 352)	-6,6%	(26 649)	-6,5%
General and administrative expenses	31	(45 558)	-10,2%	(43 158)	-10,5%
Research and development expenditures	32	(7 994)	-1,8%	(6 665)	-1,6%
Exchange gains and losses	33	2 564	0,6%	8 082	2,0%
CURRENT OPERATING INCOME		**34 924**	**7,8%**	**39 754**	9,6%
Other operating income and expenses	36	(1 376)	-0,3%	(1 954)	-0,5%
OPERATING INCOME		**33 548**	**7,5%**	**37 800**	9,2%
Share of profit of affiliates	11	832		237	0,1%
OPERATING INCOME after share of profit of affiliates		**34 380**	7,7%	**38 037**	9,2%
Cost of net financial debt	37	(2 592)		(2 748)	-0,7%
Other financial income and expenses		1 318		2 744	
INCOME BEFORE TAXES		**33 106**	**7,4%**	**38 033**	9,2%
Income tax	38	(5 333)	-1,2%	(9 079)	-2,2%
NET INCOME		**27 773**	6,2%	**28 954**	7,0%
Attributable to equity holders of the parent		27 816		28 969	
Attributable to minority interests		(43)		(15)	
Net earnings per share	40	**0,95**		**0,99**	
Net diluted earnings per share	40	**0,95**		**0,99**	

Notes 1 to 47 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros

	Note	31/12/2015	31/12/2014
Profit / (loss) for the year		**27 773**	**28 954**
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS			
Currency translation differences for cash items relating to net investments in foreign operations		(1 036)	6 308
Currency translation differences from financial statements of subsidiaries		2 997	(3 945)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS			
Actuarial gains and losses on employee benefits	25	100	(834)
Income tax	28	284	(1 894)
Net income / (expense) recognised directly in equity		**2 345**	**(365)**
Total consolidated comprehensive income		**30 118**	**28 589**
attributable to equity holders of the parent		30 138	28 612
attributable to minority interest		(20)	(23)

Notes 1 to 47 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED CASH FLOW STATEMENT

In thousand of euros	Note	31/12/2015	31/12/2014
Net income		**27 773**	**28 954**
Depreciation and amortisation		11 090	13 380
Change in provisions (except for current assets)		(534)	(412)
Change in financial derivative instruments fair value		2 428	(694)
Unrealised foreign exchange gains and losses		3 158	(3 604)
Change in deferred taxes		(281)	1 367
Gains and losses from disposals of fixed assets		(15)	(1 314)
Interests on bank borrowings*		2 296	-
Share of profit in affiliates		(832)	(237)
GROSS CASH FLOWS FROM OPERATIONS		**45 083**	**37 440**
Change in operating working capital	42	(3 881)	(46 578)
Change in receivables from financing activities	43	(160)	2 940
Change in other non current assets		-	-
CASH FLOWS FROM OPERATING ACTIVITIES		**41 042**	**(6 198)**
Purchases of fixed assets		(18 466)	(18 385)
Proceeds from the sales of fixed assets, net of tax		3 149	4 496
Impact of changes in scope of consolidation		-	(7 024)
Change in payables on fixed assets		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		**(15 317)**	**(20 913)**
Dividends paid to shareholders		(5 691)	(4 406)
Loans issues		19 127	69 420
Borrowings repayments		(39 947)	(43 998)
treasury shares		430	
CASH FLOWS FROM FINANCING ACTIVITIES		**(26 081)**	**21 016**
NET CHANGE IN CASH AND CASH EQUIVALENT		**(356)**	**(6 095)**
Opening cash and cash equivalents	44	11 755	18 263
Effect of exchange rate changes		(555)	(413)
Closing cash and cash equivalents	44	10 844	11 755
NET CHANGE IN CASH AND CASH EQUIVALENT		**(356)**	**(6 095)**

*This data was detailed in 2015 to facilitate reading of cash flow statement (amount for year ended 31 December 2014 was €1 934 thousand).

Notes 1 to 47 constitute an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Share premiums	Consolidated reserves*	Profit for the period	Treasury shares**	Translation differences	Actuarial gains and losses on employee benefits	Group share	Minority Interests	Total
Balance at 1 January 2014	**4 058**	**92 042**	**103 300**	**9 095**	**(14 690)**	**(20 993)**	**(549)**	**172 263**	**(441)**	**171 822**
Change in capital of the parent company								-		-
Appropriation of 2013 net income			9 095	(9 095)				-		-
Dividends paid by the parent company			(4 406)					(4 406)		(4 406)
Net income for the period				*28 969*				*28 969*	*(15)*	*28 954*
Net income / (expense) recognised directly in other comprehensive income						*190*	*(547)*	*(357)*	*(8)*	*(365)*
Total consolidated comprehensive income	-	-	-	28 969	-	190	(547)	28 612	(23)	28 589
Treasury shares								-		-
Other changes			222					222		222
Balance at 31 December 2014	**4 058**	**92 042**	**108 211**	**28 969**	**(14 690)**	**(20 803)**	**(1 096)**	**196 691**	**(464)**	**196 227**
Change in capital of the parent company	6	769						775		775
Appropriation of 2014 net income			28 969	(28 969)				-		-
Dividends paid by the parent company			(6 466)					(6 466)		(6 466)
Net income for the period				*27 816*				*27 816*	*(43)*	*27 773*
Net income / (expense) recognised directly in other comprehensive income						*2 256*	*66*	*2 322*	*23*	*2 345*
Total consolidated comprehensive income	-	-	-	27 816	-	2 256	66	30 138	(20)	30 118
Treasury shares					430			430		430
Other changes			(7)					(7)		(7)
Balance at 31 December 2015	**4 064**	**92 811**	**130 707**	**27 816**	**(14 260)**	**(18 547)**	**(1 030)**	**221 561**	**(484)**	**221 077**

* Consolidated reserves primarily consist of retained earnings

** For the three periods, the amount of treasury shares has been disclosed at the book value, and the correction in consolidated reserves

Notes 1 to 47 constitute an integral part of these consolidated financial statements.

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NOTE 1 - GENERAL INFORMATION

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

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

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

The annual consolidated financial statements for the period ended 31 December 2015 and the notes thereto were approved by the Board of Directors of Haulotte Group SA on 8 March 2016. Figures are expressed as thousands of euros.

NOTE 2 - MAJOR EVENTS OF THE FISCAL YEAR

Renegotiation of the syndicated credit facility

On 7 April 2015, the Group began to roll out a new ERP in selected subsidiaries. This represents a common project involving all the Group's production and distribution subsidiaries and seeking to established a centralized and homogeneous transactional system. A second deployment phase began on 3 November 2015.

At 31 December 2015, the carrying value of fixed assets commissioned for this project amounted to €6 630 thousand (including €305 thousand at subsidiaries where deployment has begun). These assets will be amortised over a period of seven years. Assets under development relating to this project amounted to €1 010 thousand at 31 December 2015 (compared to €5 020 thousand at 31 December 2014). These costs consist primarily of fees paid to the software developer and outside service providers assisting the company in managing and executing the project plus the salaries of Haulotte Group employees participating in the project.

For this project, the Group recognized expenses of €580 thousand, mainly under general and administrative expenses. Depreciation charges in the period amounted to €780 thousand.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Statements of compliance

As a publicly traded company listed in the European Union and in accordance with EC regulation 1606/2002 of 19 July 2002, the Group's consolidated financial statements for fiscal year ended 31 December 2015 have been prepared according to IFRS (International Financial Reporting Standards) as adopted by the European Union on 31 December 2015.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

Amendments and interpretations of standards in issue taking effect in 2015

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

Standard or interpretation	Nature of change expected on accounting principles and methods	Impact of Haulotte Group's first-time application
IFRIC 21 – "Levies"	The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized.	The adoption of this standard has no significant impact on annual consolidated accounts, neither on the comparative period ending 31 December 2014
Annual improvement to IFRSs – 2011-2013 cycle	Those amendments mainly relate to information to be disclosed by the first-time adopters of IFRS (IFRS1), in case of business combination (IFRS3), the fair value measurement (IFRS13) and the accounting of investment property (IAS40).	No impact for Haulotte Group

New standards and interpretations applicable in advance

The Group did not anticipate and does not expect to anticipate for the text adopted by the European Union at the closing date but applicable for the following exercises.

New standards and interpretations not yet adopted by the European Union

The Group does not anticipate or plan at this stage early adoption of other new standards or interpretations published by IASB or IFRIC but not yet adopted by the European Union at the closing date. As for IFRS 15, potential impacts on sales and revenue recognition are currently being investigated.

3.2 Critical accounting estimates and judgements

3.2.1 Critical accounting estimates and assumptions

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

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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

- estimated impairment of goodwill (cf. note 4.1),
- the assessment of counterparty risk on trade receivables: the measurement of the recoverable value of trade receivables (cf. note 4.6) is based on the Group's ability to repossess equipment in the event of customer default and the ability to sell equipment at a determined value. This resale value is estimated on the basis of second-hand equipment sales by the Group over several years. The coherence of these amounts with the second-hand equipment quoted values is also verified.

  Today, there is no information that would warrant calling into question the recoverable value used by the Group, and notably listed values for second-hand equipment quoted. However, deterioration in the future of market on second-hand quoted values may result in the recognition of additional impairment loss for trade receivables,
- net realisable value of inventory (cf. note 4.5): the net realisable value of work in progress and finished goods at 31 December 2015 determined on the basis of actual recorded transactions depending on each equipment's production year, remains significantly higher than the cost price,
- the assessment of the preferential nature of guarantees for residual amounts: the accounting treatment associated with transactions accompanied by such guarantees (cf. note 4.6.2) is based on the assumption that has been almost systematically verified to date of the attractiveness of the option to repurchase equipment offered to customers when compared to the current sales prices in the second-hand equipment market. If this assumption ceases to be confirmed, the accounting treatment of such future transactions should be adapted in consequence.

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

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

- revenue recognition, notably in the context of tripartite agreements described in notes 4.6.2 to 4.6.4.
- amortisation and depreciation periods for fixed assets (cf. note 4.3),
- the valuation of provisions, notably for manufacturer warranties (cf. note 4.10) and for pension liabilities (cf. note 4.9),
- the recognition of deferred tax assets (cf. note 4.12).

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

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

The main material risks and uncertainties that could have a material impact on the Group identified at 31 December 2015 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.

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FOR THE YEAR ENDED 31 DECEMBER 2015

Fiscal year 2015 was marked by revenue growth of 8% (stable at constant exchange rates), driven by a strong sales performance in North America (+32% at constant exchange rates) and in Asia Pacific (+27% at constant exchange rates), in a favourable currency environment. Sales volumes nevertheless remain sensitive to uncertainties with respect to the macro-economic environment and consequently to market aleas. Like the last quarter of 2015, commercial activity continues to be strong at the start of the year, mainly in Europe, where the return on investment of major rental companies seems to be confirmed.

The Group maintains its policy of a centralised management of foreign exchange as described in note 5.a) and pays specific attention to the variation of foreign currencies on its main markets, as these could significantly affect its financial performance.

During the year, the Group has diversified its financing by finalizing new bilateral borrowings for a total amount of € 13 400 thousand (refer to note 22).

The liquidity risk is described in detail in note 5.d). Based on the level of cash resources and credit lines open and available at 31 December 2015 compared with cash forecasts for the first few months of 2016, there are no reasons that would call into question the Group's ability to ensure its liquidity. The next repayment term of the syndicated loan, for an amount of € 3 000 thousand, will be 30 March 2016. Concerning other financings, amounts due in 2016 total to € 1 200 thousand.

3.3 Consolidation

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

Equity method is used for all associated companies in which the Group exerts significant influence. According to this method, Haulotte Group records in a specific caption of the consolidated income statement its share in the net income of the company consolidated using equity method. All companies concerned by this treatment are at this time considered to extend the Group's activity as defined by the standards, and this share of net income is therefore disclosed as part of the operating income in the specific caption "Share of profit of affiliates extending the Group's activity".

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

3.4 Intercompany balances and transactions

All intercompany balances and transactions between fully consolidated companies are eliminated.

3.5 Foreign currency translation of foreign subsidiaries financial statement

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

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

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

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

Exchange differences resulting from the translation of the subsidiaries' financial statements are recognised as other comprehensive income and broken down between the parent company share and minority interests.

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

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

3.6 Translation of transactions in foreign currency

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

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

3.7 Business combinations

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

- The identifiable assets acquired and assumed liabilities and contingent liabilities assumed are measured at acquisition-date fair value, provided that they meet the accounting criteria in IFRS 3 (Revised). An acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date is measured at fair value less costs to sell. Only the liabilities recognised in the acquirees's balance sheet at the acquisition date are taken into account. Restructuring provisions are therefore not accounted for as a liability of the acquiree unless it has an obligation to undertake such restructuring at the acquisition date. Acquisition-related costs are recognized as expenses in the period in which the costs are incurred.
- The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the Group's share in the fair value of the acquired identifiable net assets exceeds the cost of acquisition, that difference is recognised directly in the income statement (see note 4.1).

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

- In the case of a bargain purchase, the resulting gain is recognised as other operating income and expenses, if the amount is material.

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

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

3.8 Segment reporting

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

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

- the manufacture and sale of lifting equipment,

- the rental of lifting equipment,

- services (spare parts, repairs and financing).

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

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

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

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

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

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

4.1 Goodwill

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

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

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

The Group has defined three CGUs:

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

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

Goodwill impairment charges are irreversible.

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

4.2 Intangible assets

a) Development expenditures

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

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

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

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

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

b) Other intangible assets

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

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

4.3 Property, plant and equipment

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

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

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

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

In accordance with IAS 17, fixed assets acquired through finance leases are recognized in the balance sheet at fair value, or if lower, at the present value of the corresponding minimum lease payments and depreciated over the useful lives as described below if there is reasonable certainty that ownership of the asset will be transferred to the lessee by the end of the lease term. Otherwise, the asset is depreciated over the shorter of the lease term and its useful life. The lease contracts transfer to Haulotte substantially all the risks and rewards incidental to ownership of an asset if they comply with the main indicators adopted for IAS 17 (existence of a purchase option, a lease term coherent with the asset's economic life, a present value of the minimum lease payments close to the fair value of the leased asset at the lease's inception,...).

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

Contracts corresponding to operating leases are not restated.

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

	Depreciation period
Plant buildings :	
Main component	30 to 40 years
Other components	10 to 30 years
Buildings fixtures and improvements:	
Main component	10 to 40 years
Other components	5 to 20 years
Plant equipment	5 to 20 years
Other installations and equipment	3 to 20 years
Transportation equipment	5 years
Computer and office equipment	3 to 10 years
Office furniture	3 to 10 years

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

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

4.4 Financial assets

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

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

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

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

Information on derivatives used by the Group is provided in a separate note (note 5).

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4.5 Inventories and work in progress

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

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

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

4.6 Trade receivables

There are four categories of trade receivables:

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

The accounting treatment for each transaction category is described below.

4.6.1 Sales without Group financing or guarantees

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

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

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

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

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4.6.2 Sales including guarantees granted by the Group

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.6.3 Financial leases

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

The accounting treatment for these agreements is as follows:

- equipment sales are recognised under "sales and revenue" in the income statement on the date the parties sign the lease agreement,
- a trade receivable (under "receivables from financing activities" in the balance sheet) is recognised vis-à-vis the end customer broken down between current assets for the portion of lease payments due within one year and non-current assets for the balance,
- for the following periods, payment received from the customer as per the lease agreement or the credit sale is allocated between financial income and repayment of the receivable and finance charge.

4.6.4 Back-to-back lease arrangements

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

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

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

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4.7 Cash and cash equivalents

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

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

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

4.8 Treasury shares

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

4.9 Employees benefits

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

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

4.10 Provisions

In general a provision is recorded when:

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

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Warranty provision

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

Litigations

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

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

4.11 Borrowings

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

4.12 Deferred taxes

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

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

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NOTE 5 - MANAGEMENT OF FINANCIAL RISK

a) Foreign exchange risk

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

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

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

b) Interest rate risk

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

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

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

c) Credit risk

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

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

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

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d) Liquidity risk

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

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

Status of the syndicated credit facility:

For the record, a new syndicated credit facility contract has been closed on 30 September 2014. At 31 December 2015, all ratios are respected by the Group. As indicated in note 22, the next contractual installment of €3 000 thousand will happen on 30 March 2016.

Other financings:

In 2015, the group diversified its financing sources, while closing new bilateral loans for a total amount of €13 400 thousand. The total amount due for these lines in 2016 reaches €1 565 thousand.

The analysis of the cash available blend by cash on hand in financial statement, unused syndicated loan lines and unused bank overdraft do not jeopardise the capacity of the group to manage its cash flow for the coming year.

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

6.1 Revenue recognition

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

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

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

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

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

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6.2 Cost of sales

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

6.3 Selling expenses

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

6.4 General and administrative expenses

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

6.5 Research and development expenditures

Research expenditures are expensed in the period they are incurred.

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

6.6 Other operating income and expenses

This heading includes:

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

6.7 Operating income

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

6.8 Cost of net financial debt

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

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6.9 Other financial income and expenses

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

6.10 Earnings per share

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

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

NOTE 7 - SCOPE OF CONSOLIDATION

Companies consolidated at 31 December 2015 are:

Entity	Country	Interest %	Consolidation method at 31 December 2015	Consolidation method at 31 December 2014
Haulotte Group S.A.	France	Parent		
Haulotte France Sarl	France	99,99%	Full consolidation	Full consolidation
Haulotte Services France	France	99,99%	Full consolidation	Full consolidation
Telescopelle S.A.S	France	100%	Full consolidation	Full consolidation
Acarlar Dis Ticaret Ve Makina Sanayi A.s.	Turkey	50%	Equity method	Equity method
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte Argentina S.A.	Argentina	95%	Full consolidation	Full consolidation
Haulotte Arges S.R.L.	Romania	100%	Full consolidation	Full consolidation
Haulotte Australia Pty. Ltd.	Australia	100%	Full consolidation	Full consolidation
Haulotte Cantabria S.L.	Spain	100%	Full consolidation	Full consolidation
Haulotte Chile SPA	Chili	100%	Full consolidation	Full consolidation
Haulotte Do Brazil LTDA	Brazil	99,98%	Full consolidation	Full consolidation
Haulotte Hubarbeitsbühnen GmbH	Germany	100%	Full consolidation	Full consolidation
Haulotte Iberica S.L.	Spain	98,71%	Full consolidation	Full consolidation
Haulotte Italia S.R.L.	Italy	99%	Full consolidation	Full consolidation

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Haulotte India Private Ltd.	India	100%	Full consolidation	Full consolidation
Haulotte Mexico SA de CV	Mexico	99,99%	Full consolidation	Full consolidation
Haulotte Middle East FZE	Dubaï	100%	Full consolidation	Full consolidation
Haulotte Netherlands B.V.	Netherlands	100%	Full consolidation	Full consolidation
Haulotte Polska SP Z.O.O.	Polska	100%	Full consolidation	Full consolidation
Haulotte Portugal, plataformas de elevaçao, Unipessoal, LDA	Portugal	98,71%	Full consolidation	Full consolidation
Haulotte Scandinavia AB	Sweden	100%	Full consolidation	Full consolidation
Haulotte Services SA de CV	Mexico	99,99%	Full consolidation	Full consolidation
Haulotte Singapore Ltd.	Singapore	100%	Full consolidation	Full consolidation
Haulotte Trading (Shanghai) co. Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte UK Limited	UK	100%	Full consolidation	Full consolidation
Haulotte U.S., INC.	United States	100%	Full consolidation	Full consolidation
Haulotte Vostok	Russia	100%	Full consolidation	Full consolidation
Horizon High Reach Chle SPA	Chili	100%	Full consolidation	Full consolidation
Horizon High Reach Limited	Argentina	100%	Full consolidation	Full consolidation
Levanor Maquinaria de Elevacion S.A.	Spain	91%	Full consolidation	Full consolidation
Mundilevaçao, Aluger e Transporte de Plataformas LDA	Portugal	81.90%	Full consolidation	Full consolidation
NO.VE. S.R.L.	Italy	100%	Full consolidation	Full consolidation
N.D.U Maquinaria y Plataformas Elevadoras, S.L.	Spain	98,71%	Full consolidation	Full consolidation
Bil Jax, Inc.	United States	100%	Full consolidation	Full consolidation
Equipro, Inc.	United States	100%	Full consolidation	Full consolidation
Bil Jax Service, Inc.	United States	100%	Full consolidation	Full consolidation
Seaway Scaffold & Equipment	United States	100%	Full consolidation	Full consolidation
Scaffold Design & Erection	United States	100%	Full consolidation	Full consolidation

The closing date for financial statements of consolidated companies for each period presented is 31 December except for Haulotte India Private Ltd. which closes books on 31 March of each year.

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NOTE 8 - GOODWILL

At 31 December 2015

Entities owned	Gross value	Impairment	Net value
North America CGU	18 305	(4 592)	13 713
BilJax	*18 305*	*(4 592)*	*13 713*
UGT Nove	2 580	-	2 580
UGT Horizon	1 106	-	1 106
UGT N.D.U.	772	(772)	-
Manufacturing and Distribution outside from North America CGU	54	(54)	-
Haulotte France	*54*	*(54)*	-
Total	**22 817**	**(5 418)**	**17 399**

At 31 December 2014

Entities owned	Gross value	Impairment	Net value
North America CGU	16 415	(4 118)	12 297
BilJax	*16 415*	*(4 118)*	*12 297*
UGT Nove	2 580	-	2 580
UGT Horizon	1 516	-	1 516
UGT N.D.U.	772	(772)	-
Manufacturing and Distribution outside from North America CGU	54	(54)	-
Haulotte France	*54*	*(54)*	-
Total	**21 337**	**(4 944)**	**16 393**

The change presented in goodwill between the two periods (or +€1 000 thousand) reflects the currency effect on goodwill for Horizon and BilJax.

« North America » CGU

The last impairment test for the "North America" region considered as a cash generating unit (CGU) was performed on 31 December 2014. A new impairment test was performed on 31 December 2015 on the CGU that includes the US entities of the Group.

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

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

- significant growth in market share in the sector of the sale of aerial work platforms in the “North American” market, on a 5 years horizon;
- consolidation of levels of profitability found on the different activities operated on the North American market;
- the impairment test included cash flow projections over five years, an assumption of long-term growth of 1,5% and a discount rate (WACC) of 8,5% (versus 9,5% in 2014);

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As a reminder, an impairment amounting to USD 5,000 thousand was accounted for at 31 December 2013 on the basis of the impairment test performed at that date.

The conclusion of the new test performed at 31 December 2015 is that no further depreciation is needed, therefore depreciation is maintained at that amount.

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

- sales forecast : a decrease of 10,5% in the sales forecast used in the discounted cash flow calculations would make the value in use of the CGU equivalent to its carrying value
- discount rate : a decrease of 2,7 points of the discount rate would lead to equivalence between the value in use of the CGU and its carrying value
- the long-term growth rate : a decrease of the long term growth rate has no material impact on the conclusion of the impairment test

« Rental companies » CGU

For the entity Nove, a test was realized to compare the CGU net book value including the net book value of rental equipment as per Group books and goodwill with their recoverable value.

On the basis of this test, no impairment was recorded for this CGU in the consolidated financial statements for the period ended 31 December 2015.

Sensibility analysis carried out shows that no impairment charge would be recorded with a decrease in average market values estimated of up to 2%.

NOTE 9 - INTANGIBLE ASSETS

	31/12/2014	Increase	Decrease	Reclassifications and other changes	Translation adjustment	31/12/2015
Development expenditure	15 051	3 034	(4 305)			13 780
Concessions, patents, licenses	9 695	2 099		5 092	(8)	16 878
Other intangible and in progress	5 307	1 529	(74)	(5 092)	(2)	1 668
Gross value	**30 053**	**6 662**	**(4 379)**	**-**	**(10)**	**32 326**
Depreciation / impairment of development expenditure	9 132	1 068	(4 305)			5 895
Depreciation of concessions, patents, licenses	7 766	1 589			(13)	9 342
Depreciation of other intangibles and in progress	45	6	(46)		(4)	1
Accumulated depreciation and impairment	**16 943**	**2 663**	**(4 351)**	**-**	**(17)**	**15 238**
Net value	**13 110**	**3 999**	**(28)**	**-**	**7**	**17 088**

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Increase in acquisitions recorded in 2015 in mainly linked to the roll out of the ERP (cf note 2.1) contributing for €3 152 thousand added to the capitalisation of development costs for €3 034 thousand. Decreases are linked to fully amortised development costs for an amount of €4 305 thousand in gross value.

Amortisation on developments costs for €1 068 thousand are included in "research and development cost in P&L".

NOTE 10 - TANGIBLE ASSETS

	31/12/2014	Increase	Decrease	Reclassifications and other changes*	Translation adjustment	31/12/2015
Land	6 268		(75)		86	6 279
Building	45 069	248	(1)	34	1 002	46 352
Plant machinery	29 945	1 487	(140)	253	551	32 096
Equipment for rental	31 267	5 828	(4 594)	644	(660)	32 485
Other PPE	11 927	934	(736)	10	364	12 499
Fixed assets in progress	431	2 618	(55)	(297)	(277)	2 420
Gross value	**124 907**	**11 115**	**(5 601)**	**644**	**1 066**	**132 131**
Depreciation/impairment of building	20 240	1 884			639	22 763
Depreciation/impairment of plant machinery	23 121	1 940	(130)		497	25 428
Depreciation/impairment of equipment for rental	17 223	3 266	(2 618)	155	(416)	17 610
Depreciation/impairment of other PPE	9 207	1 250	(684)	-	347	10 120
Accumulated depreciation and impairment	**69 791**	**8 340**	**(3 432)**	**155**	**1 067**	**75 921**
Net value	**55 116**	**2 775**	**(2 169)**	**489**	**(1)**	**56 210**

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

The increase in "Equipment for rental" for €5 828 thousand is mainly linked to the acquisition of aerial working platforms by the rental subsidiaries, mainly Nove for €2 524 thousand, Horizon Chile for €1 864 thousand and to a fitful need of rental need in distribution entities for €1 205 thousand.

Sales on this entry are linked to the replacement of our fleet or its adjustment at the level of activity of the local markets. In gross value they mainly relate to Nove for €1 827 thousand, Horizon Argentine for €671 thousand and sporadic contracts in distribution subsidiaries for € 1 227 thousand.

The amortisation accruals of rental equipments are booked in costs of sales in the P&L. The amortisation accruals of Land, building and other PPE are booked in cost of sales and/or commercial and administrative costs in the P&L.

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NOTE 11 - SHARES IN AFFILIATES

Shares recorded at 31 December 2015 under the equity method correspond to 50% of Acarlar's shares owned by Haulotte Group S.A. (under joint control) for an acquisition value of €7 024 thousand.

At 31 December 2015, including share in profit of the company consolidated under the equity method from its acquisition, which is a profit of €832 thousand in 2015, the shares in affiliate caption amount to €8 093 thousand.

Summary of financial information for Acarlar (global amount, 100%) in thousand of Euros :

	31/12/2015	31/12/2014
Current assets	7 691	4 061
Non-current assets	413	1 551
Current liabilities	4 994	2 688
Non-current liabilities	264	1 317
Sales	**15 172**	**7 468***
Net income	**1 536**	**474***

* Comparative information for the period from 18 April to 31 December 2014.

NOTE 12 - OTHER FINANCIAL ASSETS

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

	31/12/2014	Increase	Decrease	Reclassifica-tions	31/12/2015
Financial assets	2 475	2 807	(870)	(30)	4 382

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

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NOTE 13 - INVENTORY

At 31 December 2015	Gross value	Provision	Net value
Raw materials	31 776	(920)	30 856
Work in progress	5 343	-	5 343
Semi finished and finished goods	57 716	(3 804)	53 912
Trade goods	15 776	(2 309)	13 467
Total	**110 611**	**(7 033)**	**103 578**

At 31 December 2014	Gross value	Provision	Net value
Raw materials	25 013	(894)	24 119
Work in progress	4 111	(46)	4 065
Semi finished and finished goods	71 526	(3 604)	67 922
Trade goods	14 527	(2 532)	11 995
Total	**115 177**	**(7 076)**	**108 101**

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

The decrease in inventory of €(4 523) thousand on 31 December 2015 versus a change of €16 144 thousand at 31 December 2014 is recognised under the cost of sales in the income statement.

Provisions for inventory impairment losses break down as follows:

	31/12/2014	Increase	Decrease	Translation adjustment	31/12/2015
Provision for inventory impairment losses	7 076	4 311	(4 598)	244	7 033

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NOTE 14 - TRADE RECEIVABLES

At 31 December 2015	Gross value	Provision	Net value
Non-current assets			
Receivables from financing activities exceeding one year	15 033		15 033
including finance lease receivables	*5 245*		*5 245*
including guarantees given	*9 788*		*9 788*
Sub-total	**15 033**		**15 033**
Current assets			
Trade receivables	149 674	(24 288)	125 386
Receivables from financing activities less than one year	10 317	(687)	9 630
including finance lease receivables	*7 060*	*(687)*	*6 373*
including guarantees given	*3 257*		*3 257*
Sub-total	**159 991**	**(24 975)**	**135 016**
Total	**175 024**	**(24 975)**	**150 049**

At 31 December 2014	Gross value	Provision	Net value
Non-current assets			
Receivables from financing activities exceeding one year	7 354		7 354
including finance lease receivables	*4 916*		*4 916*
including guarantees given	*2 438*		*2 438*
Sub-total	**7 354**		**7 354**
Current assets			
Trade receivables	130 574	(25 322)	105 252
Receivables from financing activities less than one year	6 983	(664)	6 319
including finance lease receivables	*5 458*	*(529)*	*4 929*
including guarantees given	*1 525*	*(135)*	*1 390*
Sub-total	**137 557**	**(25 986)**	**111 571**
Total	**144 911**	**(25 986)**	**118 925**

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

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

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

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

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

Provisions for trade receivables break down as follows:

	31/12/2014	Increase	Decrease	Translation adjustment	31/12/2015
Provisions for trade receivables	25 986	3 108	(4 215)	96	24 975

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

	Total	Not due	Due		
			less than 60 days	60 to 120 days	more than 120 days
Net trade receivables 2015	150 049	136 629	4 332	4 613	4 475
Net trade receivables 2014	118 925	106 954	6 501	2 193	3 277

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

NOTE 15 - OTHER ASSETS

	31/12/2015	31/12/2014
Other current assets	19 208	18 049
Advances and instalments paid on orders	1 353	1 306
Prepaid expenses	1 955	1 987
Depreciation of other current assets	(222)	(222)
Total other current assets	**22 294**	**21 120**
Other non-current assets	-	-
Total other assets	**22 294**	**21 120**

The caption « Other current assets » includes mainly VAT receivables for €9 030 thousand, prepaid income tax for €5 816 thousand and other current assets for €4 025 thousand.

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NOTE 16 - TRANSFERS OF FINANCIAL ASSETS

Factoring agreement with Haulotte France Sarl

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

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

At 31 December 2015, receivables assigned amounted to €4 950 thousand (€3 510 thousand at 31 December 2014) and resulted in the recognition €4 067 thousand in financial liabilities (€2 567 at 31 December 2014) that were included under "current financial liabilities" (see also note 22).

NOTE 17 - RECEIVABLES BY MATURITY

At 31/12/2015	Total	less than 1 year	1 to 5 years
Trade receivables*	125 386	125 386	-
Trade receivables from financing activities	24 663	9 630	15 033
Other assets	22 294	22 294	-
Total	**172 343**	**157 310**	**15 033**

*Including receivables overdue for €13 420 K€ thousand (cf. note 14)

At 31/12/2014	Total	less than 1 year	1 to 5 years
Trade receivables*	105 252	105 252	-
Trade receivables from financing activities	13 673	6 319	7 354
Other assets	21 120	21 120	-
Total	**140 045**	**132 691**	**7 354**

*Including receivables overdue for €11 971 thousand (cf. note 14).

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NOTE 18 - FOREIGN EXCHANGE RISK MANAGEMENT

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

At 31/12/2015	EUR	AUD	GBP	USD	BRL	Others	TOTAL
Trade receivables	66 946	10 282	14 223	69 450	1 819	12 304	**175 024**
Trade payables	(50 023)	(308)	(336)	(2 537)	(146)	(6 914)	**(60 264)**
Net amount	**16 923**	**9 974**	**13 887**	**66 913**	**1 673**	**5 390**	**114 760**

At 31/12/2014	EUR	AUD	GBP	USD	BRL	Others	TOTAL
Trade receivables	60 841	8 257	19 777	43 521	3 194	9 321	**144 911**
Trade payables	(31 453)	(317)	(229)	(4 623)	(109)	(6 979)	**(43 710)**
Net amount	**29 388**	**7 940**	**19 548**	**38 898**	**3 085**	**2 342**	**101 201**

A 10% increase in the value of the euro against the pound sterling would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €1,262 thousand.

A 10% increase in the value of the euro against the US dollar would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €6,083 thousand.

A 10% increase in the value of the euro against the Australian dollar would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €907 thousand.

A 10% increase in the value of the euro against the Brazilian real would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €152 thousand.

NOTE 19 - CASH AND CASH EQUIVALENTS

	31/12/2015	31/12/2014
Cash at bank and in hand	26 215	19 968
Money market funds	531	10
Total	**26 746**	**19 978**

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NOTE 20 - DERIVATIVE INSTRUMENTS

All derivative instruments owned by the Group at 31 December 2015 as it was at 31 December 2014 are recorded according to their fair value estimated based on a level 2 method as defined in IFRS 7 as described in the note 5.

Positive fair value of derivative instruments:

	31/12/2015	31/12/2014
GBP swaps	-	1 617
USD forward sales	-	184
USD swaps	-	412
Total	**-**	**2 213**

Negative fair value of derivative instruments:

	31/12/2015	31/12/2014
Interest rates swaps	(27)	(48)
USD forward sales	(237)	-
Total	**(264)**	**(48)**

NOTE 21 - SHARE CAPITAL AND PREMIUMS

	31/12/2015	31/12/2014
Number of shares	31 259 734	31 214 129
Nominal value in euros	0,13	0,13
Share capital in euros	***4 063 765***	***4 057 837***
Share premiums in euros	***92 813 859***	***92 044 503***

Treasury shares are as follows:

	31/12/2015	31/12/2014
Number of treasury shares	1 814 303	1 837 823
Treasury shares as a percentage of capital	5,80%	5,89%
Market value of treasury shares in K€	25 146	22 991

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

As of 14 April 2015, Haulotte Group S.A appointed Exane BNP Paribas for the implementation of a liquidity contract on its shares, for a period ending on 31 December 2015, renewable by tacit agreement. This liquidity contract complies with the Charter of Ethics established by the AMAFI and approved by the "Autorité des Marchés Financiers".

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For the implementation of this contract, the following resources have been allocated to the liquidity account:

- 102 171,80 Eurosin cash,
- the equivalent of 11 524,85 Euros in money market funds,
- 139 418 Haulotte Group S.A. shares.

Change in treasury shares during the years 2015 and 2014 was as follows:

TYPE		2015	2014
Liquidity	Number of shares purchased	174 104	-
	Purchase price of shares (*)	2 752 921	-
	Average price per share	15,8	-
	Number of shares sold	197 624	-
	Original value of shares sold	2 513 636	-
	Sale price of shares sold (*)	3 182 587	-
	Net gain/(loss)	668 951	-
	Nimber of shares cancelled	-	-
	Number of shares at December 31	***115 898***	***139 418***
	Original value of shares at December 31	***1 746 058***	***1 506 773***
Mandate	Number of shares purchased	-	-
	Purchase price of shares	-	-
	Average price per share	-	-
	Number of shares sold	-	-
	Original value of shares sold	-	-
	Selling price of shares sold	-	-
	Net gain/(loss)	-	-
	Number of shares cancelled	-	-
	Number of shares at December 31	***1 698 405***	***1 698 405***
	Initial value of shares at December 31	***13 183 551***	***13 183 551***
Global	**Number of shares at December 31**	**1 814 303**	**1 837 823**
	Original value of shares at December 31	**14 929 609**	**14 690 324**
	Provision for treasury shares at December 31	**-**	**-**
	Closing quoted value of shares at December 31	**13,86**	**12,51**

* Cash flows generated from treasury shares correspond to the sale price of the shares less the purchase price of shares purchased. This amounted to € 430 thousand for the year ended 31 December 2015.

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NOTE 22 - BORROWINGS AND FINANCIAL LIABILITIES

	31/12/2015	31/12/2014
Syndicated loan	29 643	59 357
Biljax's credit line	-	3 148
Other borrowings	13 173	2 072
Other advances	5 782	6 067
leasing contracts	2 790	2 570
Guarantees	9 788	2 438
Non-current financial liabilities	**61 176**	**75 652**
Syndicated loan	2 714	(287)
Biljax's credit line	5 458	5 393
Haulotet France factoring	4 067	2 567
Other borrowings	1 471	224
Other advances	292	290
leasing contracts	666	480
Guarantees	3 257	1 525
Others	25	2
Syndicated loan - overdrafts	13 980	6 365
Others overdrafts	1 922	1 859
Current financial liabilities	**33 852**	**18 418**
Total borrowings and financial liabilities	**95 028**	**94 070**

A new credit facility was concluded on September 30th, 2014. Through this facility, Haulotte Group will have access to three distinct credit lines:

- A medium-term refinancing facility for €18,000 thousand, repayable through three instalments:
  - €3 000 thousand on 30 March 2016;
  - €3 000 thousand on 30 March 2017;
  - €12 000 thousand on 30 March 2018.
- A revolving credit facility for €52 000 thousand, maturing on 30 March 2018;
- An overdraft facility for €20 000 thousand, maturing on 30 March 2018;

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This facility provides for the possibility of an extension for an additional 18 months or until 30 September 2019.

- The repayment schedule for the €18 000 thousand refinancing facility would then be as follows:
  - €3 000 thousand on 30 March 2016;
  - €3 000 thousand on 30 March 2017;
  - €3 000 thousand on 30 March 2018;
  - €3 000 thousand on 30 March 2019;
  - €6 000 thousand on 30 September 2019.
- The date of maturity for the €52 000 thousand revolving credit facility and the €20 000 thousand overdraft facility would then be 30 September 2019.

This syndicated credit facility was obtained at a floating rate indexed on Euribor for the refinancing and revolving facilities, and on Eonia for the overdraft facility.

Movements in the syndicated credit facilities in the 2015 financial period may be summarised as follows:

	31 December 2014	Net change of the revolving credit line	Net change of the bank overdraft	Amortization of fees	Balance at 31 December 2015	Balance available for future drawing on 31 December 2015
Refinancing of existing debt	18 000				18 000	
Revolving credit line	42 000	(27 000)			15 000	37 000
Total excluding overdrafts	**60 000**	**(27 000)**			**33 000**	**37 000**
Overdraft	6 365		7 615		13 980	6 020
Commissions and fees	(930)			287	(643)	
Total	**65 435**	**(27 000)**	**7 615**	**287**	**46 337**	**43 020**

In exchange for this syndicated credit facility, the following commitments were granted to the new banking syndicate:

- a pledge of the Haulotte Group S.A. business
- a pledge of Haulotte France securities held by Haulotte Group S.A., or 99.99% of the share capital
- a pledge of the current account balance between Haulotte Group S.A. and Haulotte US in the amount of US$50 000 thousand
- a pledge of the current account balance between Haulotte Group S.A. and Haulotte Australia in the amount of AUD 10 000 thousand.

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This new syndicated credit facility also provides for compliance by the company with a certain number of standard obligations during the term of the facility. Finally, a certain number of ratios will be measured every six months based on the selected ratios derived from the consolidated financial statements for the half-year periods ended 30 June and 31 December of each year (notably Group EBITDA, shareholders' equity, net debt).

On 31 December 2015, the bank ratios were respected.

Haulotte Group S.A. also obtained two new credit lines in 2015, recorded in "other borrowings":

- From a lender outside the banking syndicate for €5 000 thousand, maturing in 4 years,
- From BPI (French public Investment Bank) for an amount totaling €8 400 thousand maturing in 7 years.

The company also made a €3 000 thousand drawdown on a pre-existing bilateral credit line with one of the banks who is a member of the syndicate, repaid during the year.

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

Translated value in thousands of euros	31/12/2015	31/12/2014
Euros	75 157	80 551
GBP	-	-
USD	5 737	9 208
Others	1 088	346
Total	**81 982**	**90 105**

NOTE 23 - MANAGEMENT OF INTEREST-RATE RISKS

Borrowings, excluding guarantees given, break down as follows:

	31/12/2015	31/12/2014
Fixed rate borrowings	30 188	16 129
Variable rate borrowings	51 794	73 976
Total	**81 982**	**90 105**

A 1% rate increase would result in a maximum additional interest expense, excluding hedges, of €518 thousand.

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NOTE 24 - PROVISIONS

	31/12/2014	Allowance	Provision used in the period	Reversal of unused provision	Reclassi-fica-tions	Other changes	Translation adjustment	31/12/2015
Provisions for product warranty	6 649	2 571	(3 332)	(51)			65	5 902
Restructuring provision	8							8
Provisions for litigation	1 697	2 304	(2 287)	(14)			87	1 787
Short-term portion of pensions provisions	13				(4)			9
Current provisions	**8 367**	**4 875**	**(5 619)**	**(65)**	**(4)**		**152**	**7 706**
Long-term portion of pensions provisions	4 328	385	(113)		4	(100)		4 504
Non-current provisions	**4 328**	**385**	**(113)**		**4**	**(100)**		**4 504**
Total provisions	**12 695**	**5 260**	**(5 797)**	**(65)**		**(100)**	**152**	**12 210**

The product warranty provision remains consistent. Indeed, the fleet increase on the machines under warranty by the Group in link with the growth is offset by decrease in the cost of damages. The amount of usage of specific risks provision in the year is also significant.

The other movements recorded in the year are notably relating to the translation adjustments and update of the provisions for pensions.

Provisions for pensions

Refer to note 25.

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NOTE 25 - PENSIONS AND RELATED BENEFITS

Main assumptions used for the valuation of liabilities.

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

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

	31/12/2015	31/12/2014
Turnover rate	Based on historical data available to the Group with no changes between the two periods.	
Rate of wage increases (according to seniority, the projected career profile, collective bargaining agreements, and long-term inflation rates)	2%	2%
Discount rate	2,0%	1,9%
Retirement age	Employees born before 1 January 1950 Management Supervisors/Office Employees & Workers Employees born after 1 January 1950 Management Supervisors/Office Employees & Workers	 62 years 60 years 65 years 63 years

With respect to retirement severance payments, the scenario adopted is voluntary departure of employees whereby social charges are taken into account (45%). This calculation method complies with the framework of the Fillon Law (enacted on 21 August 2003, and amended by Law 2010-1330 of 9 November 2010 for the reform of retirement systems published in the French official journal on 10 November 2010). The Group does not hold any plan assets.

Sensitivity of accumulated benefit obligations to changes in the discount rate.

A general decline in the discount rate of 0,25 points would result in a 4,3% increase in benefit obligations.

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Change in accumulated benefit obligations

	31/12/2015	31/12/2014
Present value of the commitment at the beginning of the period	**4 341**	**3 282**
Service costs of the year	332	347
Discount costs	53	70
Subtotal of amounts recognised in profit or loss	***385***	***417***
Benefits paid in the period	(113)	(192)
Subtotal of outflows (benefits and contributions paid by the employer)	***(113)***	***(192)***
Changes in assumptions	(210)	643
Actuarial (gains) and losses arising from experience adjustments	110	191
Translation adjustments	-	-
Subtotal amounts recognised in other comprehensive income	***(100)***	***834***
Reclassifications		
Present value of the commitment at the end of the period	**4 513**	**4 341**

Total amounts recognised in Other Comprehensive Income

	31/12/2015	31/12/2014
Total amounts recognised in OCI at the beginning of the period	**1 670**	**835**
Revaluation of net liabilities / assets of the period	(100)	835
Total amounts recognised in OCI at the end of the period	**1 570**	**1 670**

NOTE 26 - PAYABLES BY MATURITY

31/12/2015	Amount	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	79 126	17 950	57 676	3 500
Including guarantees given	*13 045*	*9 788*	*3 257*	-
Bank overdrafts	15 902	15 902	-	-
Trade payable	60 264	60 264	-	-
Other current liabilities	21 892	21 892	-	-
Derivative instruments	264	27	237	-
Total	**177 448**	**116 035**	**57 913**	**3 500**

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31/12/2014	Amount	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	85 845	10 193	75 652	-
Including guarantees given	*3 963*	*1 525*	*2 438*	-
Bank overdrafts	8 224	8 224	-	-
Trade payable	43 710	43 710	-	-
Other current liabilities	22 345	22 345	-	-
Derivative instruments	48	-	48	-
Total	**160 172**	**84 472**	**75 700**	**-**

NOTE 27 - OTHER CURRENT LIABILITIES

	31/12/2015	31/12/2014
Down payments received	2 958	1 279
Payables to fixed asset suppliers	-	10
Tax and employee-related liabilities	16 433	15 515
Prepaid income	371	466
Others	2 130	5 075
Total	**21 892**	**22 345**

NOTE 28 - DEFERRED TAXES

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

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

In this context, at 31 December 2015, as at 31 December 2014, deferred tax assets relating to tax losses carried forward that are forecasted to be used within the 3 next years were recognized for a total tax amount of €7 911 thousand (€24 995 thousand of tax losses basis) compared to €6 419 thousand (€20 079 thousand of tax losses basis). The global amount of tax losses carried forward for which no deferred tax assets were recorded amount to €151 742 thousand for the Group at 31 December 2015 (€153 811 thousand at 31 December 2014) and most of it is indefinitely available.

The amount of deferred tax assets that were not recognized due to the capping of deferred tax assets up to the amount of deferred tax liabilities with the same maturity at 31 December 2015 is €5 085 thousand (€4 234 thousand at 31 December 2014).

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Deferred taxes break down as follows:

	31/12/2015	31/12/2014
Deferred tax assets	**17 292**	**15 464**
Relating to consolidation adjustment/consolidation entries	6 433	5 673
Relating to tax temporary differences	8 037	7 606
Relating to tax losses carried forward	7 911	6 419
Impact of the capping of deferred tax assets	(5 089)	(4 234)
Deferred tax liabilities	**(12 396)**	**(11 062)**
Relating to consolidation adjustment/consolidation entries	(10 625)	(9 462)
Relating to tax temporary differences	(1 771)	(1 600)
Total net deferred taxes	**4 896**	**4 402**

The change in net deferred tax breaks down as follows:

	31/12/2015	31/12/2014
Deferred taxes from adjustments of the fair value of rental equipment	(793)	(802)
Deferred taxes from adjustments on finance leases and back-to-back leases	159	(31)
Deferred taxes from provisions of pensions	1 117	1 098
Deferred taxes from adjustments of internal margins on inventories and fixed assets	4 016	3 487
Deferred taxes from non-deductible provisions	5 002	4 520
Deferred taxes from differences in depreciation periods and R&D costs	(5 088)	(4 492)
Deferred taxes from tax losses	7 911	6 419
Deferred taxes from other consolidation adjustments	(2 402)	(1 882)
Deferred taxes from other temporary differences	63	319
Impact of the capping of deferred tax assets	(5 089)	(4 234)
Total	**4 896**	**4 402**

The change in net deferred tax breaks down as follows:

	31/12/2015	31/12/2014
Opening net balance	**4 402**	**7 657**
Income / (loss) from deferred taxes	280	(1 367)
Deferred taxes recognised in other comprehensive income	284	(1 894)
Translation adjustment	(71)	(350)
Other changes	-	356
Closing net balance	**4 896**	**4 402**

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NOTE 29 - SALES AND REVENUE

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

NOTE 30 - COST OF SALES

	31/12/2015	31/12/2014
Production cost of sales	(323 114)	(299 206)
Change in inventory provisions	672	1 977
Warranty costs	(7 628)	(7 203)
Total	**(330 070)**	**(304 432)**

NOTE 31 - GENERAL AND ADMINISTRATIVE EXPENSES

	31/12/2015	31/12/2014
Administrative expenses	(27 385)	(29 898)
Amortisation of development expenditures	(1 425)	(913)
Management expenses	(11 888)	(10 389)
Others	(4 860)	(1 958)
Total	**(45 558)**	**(43 158)**

NOTE 32 - RESEARCH AND DEVELOPMENT EXPENDITURES

	31/12/2015	31/12/2014
Development expenditures recognised as intangible assets	3 034	1 980
Amortisation of development expenditures	(1 068)	(932)
Research tax credit	1 548	1 407
Development expenditures	(11 508)	(9 120)
Total	**(7 994)**	**(6 665)**

NOTE 33 - EXCHANGE GAINS AND LOSSES

	31/12/2015	31/12/2014
Realised exchange gains and losses	5 718	3 295
Unrealised exchange gains and losses	(3 154)	4 787
Total	**2 564**	**8 082**

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

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NOTE 34 - EXPENSES BY NATURE OF CURRENT OPERATING INCOME

	31/12/2015	31/12/2014
Purchases of raw materials and other consumables	(234 262)	(215 733)
External charges	(85 630)	(79 132)
Taxes and related items	(5 232)	(4 540)
Staff costs	(77 752)	(72 089)
Net depreciation, impairment and provisions	(8 353)	(9 107)
Currency gains and losses	2 564	8 082
Other operating income and expenses	(1 745)	(302)
Total	**(410 410)**	**(372 822)**

NOTE 35 - STAFF COSTS

	31/12/2015	31/12/2014
Salaries and wages	(57 256)	(52 986)
Social security and related expenses	(19 985)	(18 147)
Employee profit-sharing	(463)	(885)
Pensions costs	(48)	(71)
Total	**(77 752)**	**(72 089)**

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

NOTE 36 - OTHER OPERATING INCOME AND EXPENSES

	31/12/2015	31/12/2014
Net proceeds from the sale of rental assets in Spain	-	873
Net proceeds from other asset disposals	38	(95)
Cost of litigation net of increases/ decreases in provisions	(1 305)	(1 324)
Depreciation of land and building of the Spanish distribution subsidiary	-	(1 500)
Miscellaneous adjustments for prior periods	(141)	147
Others	32	(55)
Total	**(1 376)**	**(1 954)**

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NOTE 37 - COST OF NET FINANCIAL DEBT

	31/12/2015	31/12/2014
Interest expenses and fees on loans and bank overdrafts	(2 368)	(2 485)
Cost of transfers of financial assets	(151)	(216)
Interests on leasing contracts	(73)	(47)
Cost of net financial debt	**(2 592)**	**(2 748)**
Change in the fair value of financial derivative instruments	(2 053)	1 749
Gains on realization of financial instruments	3 508	1 068
Others	(137)	(73)
Other financial income and expenses	**1 318**	**2 744**
Total	**(1 274)**	**(4)**

NOTE 38 - CORPORATE INCOME TAX

	31/12/2015	31/12/2014
Current tax	(5 613)	(7 712)
Deferred tax	280	(1 367)
Total	**(5 333)**	**(9 079)**

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2015, Haulotte France S.A.R.L, Haulotte Services and Telescopelle S.A.S.

Haulotte US Inc is the head of a US tax consolidation that included on 31 December 2015, Equipro Inc. and its subsidiaries.

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

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NOTE 39 - EFFECTIVE INCOME TAX RECONCILIATION

The difference between the effective tax rate of 16,14 % (23,87 % in December 2014) and the standard rate applicable in France of 34,43 % breaks down as follows:

	31/12/2015		31/12/2014	
Consolidated income before tax	33 051		38 033	
Tax (Income)/ Expense calculated at the tax rate applicable to the parent company's profit	**11 379**	**34,43%**	**13 095**	**34,43%**
Effect of differential in tax rates	(2 841)		(2 842)	
Effect of permanently non-deductible expenses or non-taxable income	(454)		(908)	
Effect of use of loss carry forwards previously not recognised	(1 321)		(61)	
Effect of tax assets not recognised	720		500	
Effect of the elimination of internal transactions on equity investments	(3 560)		(1 375)	
Effect of loss carry forwards not recognised	3 126		(328)	
Effect of tax consolidation and income tax credits	(876)		(794)	
Effect of the reversal of unused deferred tax assets	43		502	
Tax relating to previous years	(880)		274	
Others	(3)		1 016	
Effective tax (Income)/ Expense	**5 333**	**16,14%**	**9 079**	**23,87%**

NOTE 40 - EARNINGS PER SHARE

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

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

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In Euros	**31/12/2015**	**31/12/2014**
Net income for the Group in thousands of euros	**27 816**	**28 969**
Total number of shares	31 259 734	31 214 129
Number of treasury shares	1 814 303	1 837 823
Number of shares used for the earnings per share and the diluted earnings per share calculation	**29 445 431**	**29 376 306**
Earnings per share attributable to shareholders		
- basic	**0,95**	**0,99**
- diluted	**0,95**	**0,99**

NOTE 41 - SEGMENT REPORTING

41.1. Sales breakdown

	31/12/2015	**%**	**31/12/2014**	**%**
Sales of handling and lifting equipment	374 886	84	348 981	85
Rental of handling and lifting equipment	25 326	6	23 016	6
Services (1)	45 122	10	40 579	10
Consolidated sales	**445 334**	**100**	**412 576**	**100**

(1) mainly spare parts, repairs and financing

Sales by geographic segment	**31/12/2015**	**%**	**31/12/2014**	**%**
Europe	208 294	47	233 973	57
North America	98 739	22	62 444	15
Latin America	43 377	10	48 291	12
Asia Pacific	94 924	21	67 868	16
Consolidated sales	**445 334**	**100**	**412 576**	**100**

Main contributors for each zone are Haulotte Group SA, Haulotte France, Haulotte GmbH and Haulotte UK for Europe ; for North America Haulotte US and BilJax Inc. ; for Latin America, Haulotte Mexico and Haulotte Argentina ; and for Asia-Pacific, Haulotte Middle-East and Haulotte Australia.

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41.2. Main indicators by business segment

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

31 December 2015	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	385 007	26 058	45 122	-	456 187
Inter-segment revenue	*10 121*	*732*	-	-	*10 853*
Revenue from external customers	*374 886*	*25 326*	*45 122*	-	*445 334*
Operating profit	25 842	13 080	3 573	(8 947)	33 548
Assets					
Fixed assets	44 924	18 677	2 476	37 095	103 172
including goodwill	*13 713*	*3 686*	-	-	*17 399*
including intangible assets	*8 552*	*42*	*17*	*8 477*	*17 088*
including tangible assets	*22 375*	*14 903*	*2 459*	*16 473*	*56 210*
including financial assets	*284*	*46*	-	*12 145*	*12 475*
Trade receivables from financing activities	2 961	-	21 665	37	24 663
Including receivables from financing activities at more than one year	*332*		*14 674*	*27*	*15 033*
Including receivables from financing activities due within one year	*2 629*		*6 991*	*10*	*9 630*
Inventories	92 031	350	11 252	(55)	103 578
Trade receivables	100 693	8 150	19 930	(3 386)	125 386
Liabilities					
Trade payables	21 116	1 201	4 715	33 232	60 264
Bank borrowings	14 902	841	13 045	66 239	95 027
Other information					
Depreciation and impairment charge in the period	9 213	1 836	103	-	11 152

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31 December 2014	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	*325 429*	*24 451*	*41 157*	-	*418 037*
Inter-segment revenue	*3 448*	*1 435*	*578*	-	*5 461*
Revenue from external customers	348 981	23 016	40 579	-	412 576
Operating profit	13 494	14 347	7 841	2 118	37 800
Assets					
Fixed assets	39 675	17 019	3 973	26 427	87 094
including goodwill	*12 296*	*4 097*	-	-	*16 393*
including intangible assets	*5 887*	*25*	*41*	*7 157*	*13 110*
including tangible assets	*21 489*	*12 897*	*3 890*	*16 840*	*55 116*
including financial assets	*3*	-	*42*	*2 430*	*2 475*
Trade receivables from financing activities	-	-	13 673	-	13 673
Including receivables from financing activities at more than one year	-	-	*7 354*	-	*7 354*
Including receivables from financing activities due within one year	-	-	*6 319*	-	*6 319*
Inventories	98 677	359	9 120	(55)	108 101
Trade receivables	70 467	7 630	26 040	1 115	105 252
Liabilities					
Trade payables	8 276	1 461	6 752	27 221	43 710
Bank borrowings	17 395	112	3 963	72 600	94 070
Other information					
Depreciation and impairment charge in the period	10 011	3 308	100	-	13 419

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41.3. Main indicators by geographic segment

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

31 December 2015	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*256 553*	*100 463*	*44 250*	*105 482*	-	*506 748*
Inter-segment revenue	*48 259*	*1 724*	*873*	*10 558*	-	*61 414*
Revenue from external customers	208 294	98 739	43 377	94 924	-	445 334
Operating profit	34 672	(3 713)	(820)	6 146	(2 736)	33 548
Assets						
Fixed assets	79 612	24 487	(840)	(87)	-	103 172
including goodwill	*2 580*	*13 713*	*1 106*	-	-	*17 399*
including intangible assets	*16 723*	-	*(11)*	*161*	*215*	*17 088*
including tangible assets	*40 047*	*10 776*	*4 538*	*1 064*	*(215)*	*56 210*
including financial assets	*20 262*	*(2)*	*(6 473)*	*(1 312)*	-	*12 475*
Trade receivables from financing activities	11 995	5 971	2 229	4 468	-	24 663
Including receivables from financing activities at more than one year	*7 535*	*5 255*	*1 412*	*831*	-	*15 033*
Including receivables from financing activities due within one year	*4 460*	*716*	*817*	*3 637*	-	*9 630*
Inventories	56 581	25 099	7 820	13 426	652	103 578
Trade receivables	39 361	23 862	11 648	50 515	-	125 386
Liabilities						
Trade payables	50 290	2 958	824	6 192	-	60 264
Bank borrowings	88 012	5 737	1 087	191	-	95 027
Other information						
Depreciation and impairment charge in the period	8 295	1 685	881	291	-	11 152

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31 December 2014	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*282 233*	*64 168*	*49 164*	*78 425*	-	*473 990*
Inter-segment revenue	*48 259*	*1 724*	*873*	*10 558*	-	*61 414*
Revenue from external customers	233 974	62 444	48 291	67 867	-	412 576
Operating profit	32 368	3 850	(351)	3 753	(1 820)	37 800
Assets						
Fixed assets	57 898	22 361	5 415	1 420	-	87 094
including goodwill	*2 581*	*12 296*	*1 516*	-	-	*16 393*
including intangible assets	*13 149*	-	*(46)*	*7*	-	*13 110*
including tangible assets	*40 198*	*10 056*	*3 813*	*1 049*	-	*55 116*
including financial assets	*1 970*	*9*	*132*	*364*	-	*2 475*
Trade receivables from financing activities	11 616	1 639	-	418	-	13 673
Including receivables from financing activities at more than one year	*5 946*	*1 184*	-	*224*	-	*7 354*
Including receivables from financing activities due within one year	*5 670*	*455*	-	*194*	-	*6 319*
Inventories	64 323	24 689	8 226	10 863	-	108 101
Trade receivables	56 290	10 462	9 892	28 608	-	105 252
Liabilities						
Trade payables	35 123	2 762	275	5 550	-	43 710
Bank borrowings	84 538	9 209	110	213	-	94 070
Other information						
Depreciation and impairment charge in the period	9 691	2 112	1 345	271	-	13 419

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

NOTE 42 - ANALYSIS OF CHANGE IN WORKING CAPITAL

	31/12/2015	31/12/2014
Change in inventories	5 544	(15 561)
Change in provision for inventories	(404)	(1 445)
Change in trade receivables	(17 982)	(35 379)
Change in provision for trade receivables	(1 118)	32
Charge in trade payables	16 065	10 767
Change in other assets and liabilities	(5 986)	(4 992)
Change in operating working capital	**(3 881)**	**(46 578)**

NOTE 43 - ANALYSIS OF CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES

	31/12/2015	31/12/2014
Change in gross value	(162)	3 175
Change in provisions	2	(235)
Change in receivables from financing activities	**(160)**	**2 940**

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

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

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

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NOTE 44 - CASH COMPONENTS

	31/12/2015	31/12/2014
Cash on hand and deposit accounts	26 215	19 968
Money market funds and negotiable instruments	531	10
Cash and cash equivalent - balance sheet	**26 746**	**19 978**
Bank overdrafts (refer to note 22)	(15 902)	(8 224)
Cash and cash equivalent - cash flow statement	**10 844**	**11 755**

NOTE 45 - INFORMATION ON RELATED PARTIES

45.1. Related parties transactions

Solem S.A.S. is the majority shareholder of Haulotte Group S.A., with 54,60% of the share capital at 31 December 2015.

Solem paid to Haulotte Group S.A. income of €2 938 thousand in 2015 and €12 397 thousand in 2014, and invoiced charges of €683 thousand in 2015 and €714 thousand in 2014 corresponding to the expenses incurred for the Group by two Directors as described in the note below.

In 2015, Telescopelle paid €54 thousand to Solem (€53 thousand in 2014) under the terms of a financial recovery clause following a debt waiver granted on 31 December 2001 for €1 220 thousand. The debt waiver balance for which the payment is expected amounted to €687 thousand at 31 December 2015.

45.2. Fees allocated to directors and officers

Amounts allocated to Board members paid by the Group totalled €674 thousand for 2015 and €624 thousand for 2013. This whole amount corresponds to short term advantages (fix and variable wages).

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

In compliance with the agreement to provide general administrative and commercial assistance signed by Solem S.A.S. the cost of the services is subject to a 10% mark-up.

No loans or advances have been granted to directors and officers. There are no other pension obligations or related commitments in favour of current or former executives.

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NOTE 46 - OFF-BALANCE SHEET COMMITMENTS

Commitments given	31/12/2015	31/12/2014
Repurchase commitments*	342	327
Portion of balance sheet debt secured by collateral**	33 000	60 000
Commitments given under repayment clauses	687	741
Commitments given by Haulotte Group SA to GE Capital for the benefit of Haulotte US***	4 593	4 118
Other commitments****	1 000	2 000

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

(**) : At 31 December 2015, in exchange for the syndicated credit facility, as described in note 22 : pledge of the Haulotte Group S.A. business and of Haulotte France securities, pledge of the current account balance between Haulotte Group S.A. and Haulotte US in the amount of US$50 000 thousand and pledge of the current account balance between Haulotte Group S.A. and Haulotte Australia in the amount of AUD 10 000 thousand.

(***) : In connection with product financing agreements executed in 2014, Haulotte Group SA is the first call guarantor in the event of default by Haulotte US Inc., for up to US$5 000 thousand, in favour of different GE Group companies (General Electric Capital Corporation US, GE Commercial Distribution Finance Corporation US, GE Canada Equipment Financing G.P.). This commitment will expire on 19 December 2021.

(****) : The Group concluded in 2014 a disposal agreement regarding rental assets and rental goodwill owned in Spain, including a warranty granted to the buyer, exclusively limited to tax liabilities (as defined in the law 58/2003 of the Spanish General Tax Law) generated before the selling date, until those liabilities are legally extinguished. This warranty is capped to a global amount of €1 000 thousand.

Classification by maturity of the off-balance sheet commitments is as follows:

31/12/2015	Gross	Less than 1 year	1 to 5 years	More than 5 years
Repurchase commitments	342	144	178	20
Portion of balance sheet debt secured by collateral	33 000	3 000	30 000	-

31/12/2014	Gross	Less than 1 year	1 to 5 years	More than 5 years
Repurchase commitments	327	55	269	3
Portion of balance sheet debt secured by collateral	60 000	-	60 000	-

NOTE 47 - AVERAGE NUMBER OF EMPLOYEES

	31/12/2015	31/12/2014
Average Headcount for the year	1 556	1 535

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

PricewaterhouseCoopers Audit
20 rue Garibaldi
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75008 Paris

Haulotte Group SA
La Péronnière
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42152 L'Horme

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

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

To the Shareholders

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 December 2015, on:

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

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

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

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

In addition, at the end of each reporting period, the Company systematically tests for impairment of goodwill in accordance with the methods described in Notes 4.1 and 8. We examined the methods of implementing these impairment tests as well as the cash flow forecasts and the assumptions used and we verified that Notes 4.1 and 8 provide appropriate disclosure.

Accounting policies

Note 4.6 relating to trade receivables describes the accounting methods applied to the sales transactions for which Haulotte Group provides a guarantee to banks in order to ease access to financing for its customers. Our work consisted in verifying that the information disclosed in Note 4.6 is appropriate and that the accounting treatment described is correctly applied. We examined the procedures implemented by Haulotte Group to identify the relevant contractual commitments, obtained confirmation from financial institutions and obtained assurance, on a test basis, of the correct accounting treatment of these transactions.

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

III. SPECIFIC VERIFICATION

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

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

Lyon, on 11 April 2016
The statutory auditors

PricewaterhouseCoopers Audit	BM&A
Natacha Pélisson	Alexis Thura