

MANAGEMENT REPORT 2016



Haulotte 

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2016

GENERAL COMMENTS

Définitions

In this annual financial report, except where otherwise indicated:

- The terms the "**Company**" or "**HAULOTTE GROUP**" refer to **HAULOTTE GROUP** a French public limited company (*Société Anonyme*) with capital of €4,078,265.62 whose registered office is located at La Péronnière 42152 l'Horme, France, registered in Saint-Etienne (France) (RCS No. 332 822 485).
- The term "**Groupe**" refers to the Company and all companies consolidated by the latter.

Forward-looking statements

This annual financial report also includes forward-looking information about the Group's objectives and development priorities. These forward-looking statements are sometimes identified by the use of the future or conditional tense or forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or variations thereof or other comparable terminology. It should be noted that the realisation of these objectives and development forecasts do not represent historical data and as such should not be interpreted as providing assurance that the facts and data presented will occur, that the assumptions will be confirmed and the objectives reached. These represent objectives that by nature might not be achieved and the information presented in this annual financial report may prove to be erroneous without the Group being subject, in any manner whatsoever, to an obligation to update these statements, subject to the applicable regulation at notably, the AMF (*Autorité des Marchés Financiers*) General Regulation.

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RESPONSIBILITY FOR THE FRENCH VERSION OF ANNUAL FINANCIAL REPORT

Person making the responsibility statement

In accordance with article L.451-1-2 of the French monetary and financial code, we inform you that the person responsible for the annual financial report is Mr. Alexandre Saubot, Deputy Chief Executive Officer of Haulotte Group.

Responsibility statement

L'Horme, 28 April 2017

"I furthermore declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and the group formed by the companies included in the consolidated financial statements, and that the management report for the period, included herewith presents business trends, the results and financial position of the company and consolidated operations and the description of the main risks and uncertainties".



Alexandre Saubot

Deputy Chief Executive

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STATEMENT ON FEES PAID TO THE STATUTORY AUDITORS

The fees paid by the Company to the statutory auditors for fiscal 2015 and 2016 are presented below:

	Pricewaterhouse-Coopers Audit				BM&A				Total			
	Amount (before tax) (€'000s)		%		Amount (before tax) (€'000s)		%		Amount (before tax) (€'000s)		%	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
1- AUDIT												
Auditing, certification, examination of the separate and consolidated accounts												
- Issuer	189	191	64,05%	65,98%	62	86	90,64%	43,76%	251	276	65,91%	57,01%
- Fully consolidated subsidiaries	98	89	33,24%	30,90%	6	110	9,36%	56,24%	122	199	31,99%	41,13%
Related assignments												
- Issuer			0,00%	0,00%			0,00%	0,00%	-	-	0,00%	0,00%
- Fully consolidated subsidiaries	-								-	-		
Subtotal audit	287	280	97,29%	96,89%	68	196	100%	100%	373	476	97,90%	98,14%
2- SERVICES OTHER THAN ACCOUNT CERTIFICATION												
Tax, legal and labour law related assignments												
- Issuer	8	9			-				8	9		
- Fully consolidated subsidiaries	-				-				-	-		
Others			0,00%	0,00%			0,00%	0,00%			0,00%	0,00%
- Issuer	-		0,00%	0,00%			0,00%	0,00%	-	-	0,00%	0,00%
- Fully consolidated subsidiaries	-		0,00%	0,00%			0,00%	0,00%	-	-	0,00%	0,00%
Other services subtotal	8	9	2,71%	3,11%	-	-	0,00%	0,00%	8	9	2,10%	1,86%
TOTAL	295	289	100%	100%	68	196	100%	100%	381	485	100%	100%

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**MANAGEMENT REPORT INCLUDING THE REPORT ON THE
GROUP'S MANAGEMENT IN ACCORDANCE WITH ARTICLE
L.233-26 OF THE FRENCH COMMERCIAL CODE**

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PART 1 : ECONOMIC INFORMATION

1 - REVIEW OF OPERATIONS AND RESULTS FOR THE YEAR UNDER REVIEW

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

The AWP market continued to grow in volume in 2016, driven by Europe and, to a lesser extent, by the Asia-Pacific region. In this context, **HAULOTTE GROUP** registered revenue growth of 4% (excluding currency effects) between 2015 and 2016, driven by renewed capital investments by European equipment rental companies (+20% at constant exchange rates) and sustained growth by services (+11% at constant exchange rates).

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

The fiscal year ended 31 December 2015 submitted for approval to the ordinary general meeting is the company's thirty second year of operations since its creation.

2 - PROGRESS MADE OR DIFFICULTIES ENCOUNTERED

While most of its markets experienced renewed capital spending by equipment rental companies, Europe that accounts for more than half the Group's sales was the only region registering growth in 2016 with revenue up 20% (excluding currency effects).

The North American market confirmed in the last quarter the signs of a slowdown experienced over the year (-20% at constant exchange rates). The Asia-Pacific region was not able to offset the slowdown in the Middle East, impacted by the geopolitical conditions and pressure on oil prices (-2% at constant exchange rates).

Finally, despite an encouraging last quarter, Latin America continued to be significantly impacted by economic and political turmoil in key markets resulting in an 8% decline in sales for the year at constant exchange rates. All Group businesses registered growth for the year. This was more modest for equipment sales and rental (+3% and +2% at constant exchange rates respectively) and more sustained for services (+11% at constant exchange rates) that reached historic highs.

However, the level of sales in the period in conjunction with an increasingly competitive environment hindered **HAULOTTE GROUP** from reaching its target of improving the current operating margin in 2016.

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3 - PRESENTATION OF PARENT COMPANY FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES – RESULTS OF OPERATIONS THE COMPANY

3.1 Presentation of statutory accounts

Highlights of the statutory accounts of **HAULOTTE GROUP** SA, for the financial year ended 31 December 2016 are presented below: (€ '000s):

FINANCIAL HIGHLIGHTS (€ '000s)	Fiscal 2016	Fiscal 2015	Change (%)
Revenue	215 588	232 273	-7%
Operating profit	(10 358)	(7 740)	-34%
Net financial income (expense)	4 972	8 986	-45%
Extraordinary profit (loss)	73	(100)	+173%
Net profit (loss)	(2 977)	1 612	-285%

Please refer to the notes to the annual financial statements for all additional explanations.

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

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

3.3 Analysis of statutory results

Revenue for **HAULOTTE GROUP** in 2016 was down 7% from one year earlier.

The improvement in the net margin in 2016 as shown in data derived from our reporting was offset by a significant increase in overhead costs. This resulted from the deployment of our new ERP (*enterprise resource planning*) (whose costs are charged back to the relevant subsidiaries) and continuing research and development efforts.

Net financial income was particularly positive, reflecting in particular the reversal of the provision of current account balances for certain subsidiaries given the improvement in their net equity.

In light of the above, results for the year represented a net loss of €3.0 million.

As required by article R.225-102 of the French commercial code, this report includes a table summarising the results of the Company over the last five years.

4 - COMPREHENSIVE ANALYSIS OF THE COMPANY'S REVENUE, EARNINGS AND FINANCIAL POSITION, AND NOTABLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF BUSINESS ACTIVITY

Readers are invited to refer to sections 1, 2 and 3 above and 6.2 and 7 below.

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5 - ANALYSIS OF KEY INDICATORS OF A FINANCIAL AND NON-FINANCIAL NATURE RELATING TO THE COMPANY'S SPECIFIC BUSINESS, AND IN PARTICULAR INFORMATION RELATING TO ENVIRONMENTAL QUESTIONS AND PERSONNEL

Readers are invited to refer above to paragraph 1, 2 and 3 and section 7 below in this report.

6 - KEY RISKS AND UNCERTAINTIES - THE COMPANY'S EXPOSURE TO RISKS CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES - INFORMATION ON MARKET RISKS

In accordance with the provisions of article L225-100 of the French commercial code, a description of key risks and uncertainties facing the Company is presented below.

6.1 Key risks and uncertainties

Because the company outsources a significant share of its production, the sourcing capacities of its suppliers constitute a primary risk. To prevent risks of supply chain disruptions, the strategy of diversifying suppliers of key components must be pursued. For several years the credit situation of suppliers considered to represent a higher risk has been monitored and specific measures have been taken to ensure that the industrial model remains consistently in sync with market demand.

The market risk is the second significant risk factor. Business trends at the start of 2017 seem positive, particularly in Europe. On that basis, visibility has improved though caution continues to be necessary, against the backdrop of a global environment marked by continuing uncertainties.

Another significant risk is the sensitivity of our sales to credit restrictions in financial markets. The financial situation of our equipment rental customers has been impacted by the financial crisis for a number of years. **HAULOTTE GROUP** proposes financing solutions to its customers either through a financing entity or, for selected customers, through direct financing for a portion of sales, while maintaining trade receivable risks at reasonable levels.

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

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

In September 2014, the Group obtained a syndicated credit facility for 3.5 years, with an option for an additional 1.5 years, providing it a medium term refinancing facility for €18 million, a revolving credit facility for €52 million and an overdraft facility for €20 million. Haulotte Group wished to exercise this option for an extension and renegotiate certain provisions of this facility. These requests were accepted by the banks of the syndicate, resulting in the execution of a new amendment on 10 March 2017 integrating:

- the extension as initially provided for in the facility for the maturities of the revolving and the overdraft facilities at 30 September 2019;

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- the extension of the refinancing facility becoming repayable in full on maturity at 30 September 2019;
- the floating rates remain indexed on Euribor for the refinancing and revolving facilities, and on Eonia for the overdraft facility;
- the ratios of the financing agreement remain unchanged, and will namely be measured every six months based on selected aggregates derived from the consolidated financial statements for the half-year periods ended 30 June and 31 December of each year (Group EBITDA, shareholders' equity, net debt, etc.);
- in exchange for this syndicated credit facility, the undertakings of the banking pool remain unchanged.

Based on the level of cash resources and credit lines open and available at 31 December 2016 in conjunction with cash forecasts for the months of 2017, there are no reasons question the Group's ability to meet its obligations.

7 - USE OF FINANCIAL INSTRUMENTS AND COMPANY FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

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

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

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

8 - FORESEEABLE CHANGES IN THE COMPANY'S SITUATION AND OUTLOOK

Bolstered by positive business trends at the start of the year, mainly in Europe, **HAULOTTE GROUP** anticipates revenue growth of more than 5% in 2017.

Now that most of the ERP costs have been incurred, overhead costs should return to a normal level in 2017.

Efforts focusing on research and development will remain sustained.

The improved net margin and continuing cost controls should contribute to an improvement in operating results in relation to 2016, even if still expected to be negative.

We also expect net financial income in the period, with a positive effect from reversing impairment charges for subsidiary current accounts balances.

In light of these factors, net income is expected to be solidly positive.

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9 - IMPORTANT POST-CLOSING EVENTS

No material event with a potential significant impact on the assessment of the situation of the company has occurred or was known to exist after the end of the reporting period.

10 - RESEARCH AND DEVELOPMENT

Efforts devoted to research and development continued in the period.

For information, launches in 2015 included new articulating boom lift model, HA20 RTJ, a new electric scissor model, Optimum 8, as well as two new vertical masts, Star 10 and Star 8. In 2016, the new telehandler, the 5210, and a new vertical mast, Star 6 were released.

At the same time, the Group has expanded its research focusing on optimising operator safety.

All these innovations and improvements were developed by the Company's engineering department working in close collaboration with a panel of customers.

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

Research and development expenditures amounted to €12,468,000 in 2016.

11 - BREAKDOWN OF TRADE PAYABLES OF THE COMPANY BY MATURITY

In compliance with the provisions of articles L.441-6-1, paragraph 1 of the French Commercial Code, a table is provided below providing the breakdown of outstanding trade payables by maturity for the fiscal year ended 31 December 2015 and 2016.

Due dates In 2016	Trade payables balance 31/12/2016 (€ '000s)	Trade payables balance 31/12/2015 (€ '000s)
January	28.853	36.048
February	12.248	19.959
March	1.570	2.828
April	2.452	2.602
Total	45.123	61.437

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12 - APPROPRIATION OF INCOME FOR THE PERIOD ENDING 31 DECEMBER 2016

It is proposed that you appropriate the full amount of the loss for the period ended 31 December 2016 amounting to €2,976,666.82 to "retained earnings", that would be reduced accordingly from €6,019,545.97 to €3,042,879.15.

We also propose the distribution of a total dividend of €6,901,680.28 or a dividend of €0.22 per share, to be paid for as follows:

- €3,402,879.15 from "retained earnings", which would be thus reduced from €3,042,879.15 to zero;
- €1,273,775.32 from "other reserves", which would be thus reduced from €1,273,775.32 to zero;
- €2,585,025.81 from "additional paid-in capital", which would be thus reduced from €94,305,148.92 to €91,720,123.11.

Total dividends would be payable as from the general meeting and in accordance with statutory deadlines, it being specified that treasury shares held by the Company do not carry dividend rights and, in the case where, at the time of payment, the company holds treasury shares, earnings corresponding to unpaid dividends on these shares will be allocated to the "retained earnings" account.

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

13 - CORPORATE GOVERNANCE

I hereby inform you that the Board of Directors has decided to refer to the MiddleNext code of corporate governance of September 2016.

The Company has also chosen to refer to said code with respect to its market capitalisation, its listing segment in Euronext Paris and the means that may be adopted to apply the recommendations.

The MiddleNext corporate governance code is considered to be the code best adapted to its size and shareholding structure.

The Middlednext code can be consulted at: <http://www.middlenext.com/>

Refer to Appendix 4 of this report for further details.

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PART 2 : INFORMATION ON EXECUTIVE OFFICERS

1 - LISTE DES FONCTIONS ET MANDATS EXERCÉS

Executive officers concerned	Offices held in the company	Offices held in other companies
Pierre SAUBOT Born on 16/09/1943 French nationality	Chairman of the Board of Directors Chief Executive Officer Director	<ul style="list-style-type: none"> • General Manager of Solem SAS • Managing Partner of Société Commerciale du Cinquau, • Co-Manager of SCI Lancelot
Alexandre SAUBOT Born on 16/09/1943 French nationality	Deputy Chief Executive Director	<ul style="list-style-type: none"> • Chairman of the Board of Solem SAS, • Representative of Haulotte Group, Chairman of Telescopelle SAS, • Managing Partner of Haulotte France SARL, • Managing Partner of Haulotte Services France SARL, • Co-Manager of SCI Lancelot, • Director of Haulotte Netherlands BV, • Director of Haulotte Iberica, • Director of Haulotte Portugal, • Director of Haulotte Scandinavia, • Director of Haulotte Italia, • Manager of Haulotte GmbH, • Director of Haulotte Polska, • Director of Haulotte UK, • Director of Haulotte Australia, • Chairman of Haulotte US, • Director of Haulotte Singapore, • Representative of Haulotte Group SA, Sole director of Haulotte Cantabria, • Director of Haulotte Arges, • Chairman of Haulotte Trading (Shanghai) Co. Ltd, • Director of Haulotte Mexico, • Director of Nove Srl, • Director of Haulotte Middle East, • Representative of Haulotte Group SA, sole director of HHR. • Director of Haulotte India, • Director of Levanor • Director of MundiElevacao • Chairman of the Board of Directors of Haulotte Access Equipment Manufacturing (Changzhou), • Deputy Chairman of the Board Of Directors of Acarlar
Elisa SAVARY Born on 18/12/1979 French nationality	Director	<ul style="list-style-type: none"> • General Manager of SOLEM SAS
Hadrien SAUBOT Born on 21/11/1980 French nationality	Director	<ul style="list-style-type: none"> • General Manager of SOLEM SAS

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José MONFRONT Born on 20/03/1952 French nationality	Director	<ul style="list-style-type: none"> • Director of Haulotte Trading Shangaï co.Ltd. • Director of Haulotte India, • Director of Haulotte Access Equipment Manufacturing (Changzhou), • Chairman of JM Consulting.
Michel BOUTON Born on 21/04/1952 French nationality	Director	<ul style="list-style-type: none"> • Chairman of ESCAL • Chairman of SOVIBUS⁽¹⁾

⁽¹⁾ Date of the end of the term of office of the Chairman SOVIBUS: 6 March 2017.

2 - EXECUTIVE OFFICER COMPENSATION

In compliance with the provisions of article L.225-102-1, subsection 1 of the French commercial code, we hereby report to you, based on the information in our possession, the compensation and benefits of any kind paid, in the period, to each company officer, by the Company as well as controlled companies within the meaning of article L.233-16 of the French commercial code or the company which controls, within the meaning of the same article, the Company.

Summary of compensation paid to each executive officer

Pierre SAUBOT - Chairman and Chief Executive Officer	Amount paid in 2016	Compensation rules
Fixed compensation	86 434 €	Compensation is determined, set and paid by Solem
Variable compensation	1 500 €	The variable component of compensation is determined, set and paid by Solem. This variable compensation is assessed each year based on the quality and trends for the results of the prior period
Exceptional compensation	None	
Attendance fees	None	
Benefits in-kind	None	
TOTAL	87 934 €	

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Alexandre SAUBOT - Deputy Chief Executive Officer	Amount paid in 2016	Compensation rules
Fixed compensation	325 774 €	Compensation is determined, set and paid by Solem
Variable compensation	82 000 €	The variable component of compensation is determined, set and paid by Solem. This variable compensation is assessed each year based on the quality and trends for the results of the prior period
Exceptional compensation	None	
Attendance fees	None	
Benefits in-kind	None	
TOTAL	407 774 €	

Director's fees (and other compensation) received by non-executive directors

Elisa SAVARY - Director	Amount paid in 2016	Compensation rules
Fixed compensation	55 978 €	Compensation is determined, set and paid by Solem
Variable compensation	3 500 €	The variable component of compensation is determined, set and paid by Solem. This variable compensation is assessed each year based on the quality and trends for the results of the prior period
Exceptional compensation	None	
Attendance fees	None	
Benefits in-kind	None	
TOTAL	59 478 €	

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Hadrien SAUBOT - Director	Amount paid in 2016	Compensation rules
Fixed compensation	55 978 €	Compensation is determined, set and paid by Solem
Variable compensation	9 000 €	The variable component of compensation is determined, set and paid by Solem. This variable compensation is assessed each year based on the quality and trends for the results of the prior period
Exceptional compensation	None	
Attendance fees	None	
Benefits in-kind	None	
TOTAL	64 978 €	

José MONFRONT - Director	Amount paid in 2016	Compensation rules
Fixed compensation	-	
Variable compensation	-	
Exceptional compensation	None	
Attendance fees	None	
Benefits in-kind	None	

Michel BOUTON - Director	Amount paid in 2016	Compensation rules
Fixed compensation	None	
Variable compensation	None	
Exceptional compensation	None	
Attendance fees	None	
Benefits in-kind	None	

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

No stock options or stock purchase options have been granted to them as officers. No bonus shares have also been granted to them.

Corporate officers do not benefit from a special pension scheme.

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

Summary of executive officer compensation

The following table provides details on the compensation and benefits of company officers:

Executive officers	Employment contract		Supplemental retirement scheme		Termination payments or benefits due or that may be due as a result of termination or a change of office		Payments relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre SAUBOT Chairman and Chief Executive Officer Beginning of the renewed term of office: 07/03/2012 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2017		X		X		X		X
Director Beginning of the renewed term of office: 24/05/2012 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2017								

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Executive officers	Employment contract		Supplemental retirement scheme		Termination payments or benefits due or that may be due as a result of termination or a change of office		Payments relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Alexandre SAUBOT Deputy Chief Executive Beginning of the renewed term of office: 08/03/2016 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021		X		X		X		X
Director Beginning of the renewed term of office: 24/05/2016 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021								
Elisa SAVARY Director Beginning of the renewed term of office: 24/05/2016. End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021		X		X		X		X

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Executive officers	Employment contract		Supplemental retirement scheme		Termination payments or benefits due or that may be due as a result of termination or a change of office		Payments relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Hadrien SAUBOT Director Beginning of the renewed term of office: 24/05/2016 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021		X		X		X		X
José MONFRONT Director Beginning of the renewed term of office: 24/05/2016 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021		X ⁽²⁾		X		X		X
Michel BOUTON Director Beginning of the renewed term of office: 24/05/2016 End of appointment: At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021		X		X		X		X

⁽²⁾ The employment contract between the Company and Mr. José Monfront ended on 31 December 2016.

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3 - TOTAL AMOUNTS SET ASIDE OR ACCRUED BY THE COMPANY OR ITS SUBSIDIARIES TO PROVIDE PENSION, RETIREMENT OR SIMILAR BENEFITS FOR COMPANY OFFICERS

The Company has not set aside or accrued amounts to provide pension, retirement or similar benefits for company officers.

The company has not paid signing bonuses for severance payments to company officers. The Group has not paid signing bonuses for severance payments to company officers.

4 - SUMMARY OF DEALINGS IN THE PERIOD ENDED IN OWN SHARES BY EXECUTIVES AND PARTIES MENTIONED IN ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

In accordance with article L.621-18-2 of the French monetary and financial code and article 223-26 of the AMF General Regulation, the Company was informed of the following transactions (disposals, subscriptions or exchanges) involving the Company's shares in the period ended:

Parties concerned	Type of transaction	Number of transactions	Month of transaction	Volume	Average price (€)	Total transaction amount (€)
José Monfront, Director	Disposal	1	December 2016	2.010	13,90	27 939,00

5 - PRESENTATION OF THE BOARD OF DIRECTORS' ANNUAL REVIEW ON REGULATED AGREEMENTS REMAINING IN FORCE AND ITS FINDINGS

In accordance with proposition No. 27 of AMF recommendation 2012-05, we hereby inform you of the conclusions of the Board of Directors' meeting of 14 March 2017 on its annual review of regulated agreements covered by article L.225-38 of the French commercial code in accordance with article L.225-40-1 of said code.

The Board of Directors reviewed these regulated agreements at its meeting of 14 March 2017. After determining that these agreements continued to meet the criteria providing the basis for their initial authorisation, this authorisation was unanimously maintained by the Board.

6 - AGREEMENTS COVERED BY THE LAST PARAGRAPH OF ARTICLE L.225-102-1 OF THE FRENCH COMMERCIAL CODE

agreements were entered into or remained in force in the period ended between on the one hand, the chief executive officer, one of the deputy chief executive officers, one of the directors or one of the shareholders possessing more than 10% of voting rights in the Company and, on the other hand, another company of which owned by the Company itself, directly or indirectly, more than one half the share capital.

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PART 3 : INFORMATION ON SUBSIDIARIES AND ASSOCIATES

1 - OPERATIONS OF SUBSIDIARIES AND CONTROLLED COMPANIES

In accordance with the provisions of articles L.233-6 paragraph 2 and R.225-102 of the French commercial code, we hereby report to you on the operations and results of the Company and the subsidiaries that it controls:

At year-end, the company exercised controlling interests in 38 subsidiaries. The results of these subsidiaries are summarised below (€ '000s):

Subsidiary	Ownership interest (%)	2016 sales (€ '000s)	2015 sales (€ '000s)	2016 profit or loss (€ '000s)	2015 profit or loss (€ '000s)
Haulotte France Sarl.	99,99%	59 849	43 421	1 053	961
Haulotte Services France Sarl	100% by HAULOTTE FRANCE SARL	-	-	-	-
Telescopelle SAS	100%	104	127	55	66
Haulotte Access Equipment Manufacturing (changzhou) co. Ltd	100%	25 895	24 102	2 131	1 982
Haulotte Argentina SA	99,96%	8 694	9 135	(508)	(1 463)
Haulotte Arges SRL	100%	89 820	71 188	9 299	6 465
Haulotte Australia Pty Ltd	100%	31 136	25 555	1 478	946
Haulotte Cantabria SL	99,98% and 0,02% by HAULOTTE IBERICA SL	(30)	-	(126)	(73)
Haulotte Do Brazil Ltda	99,98%	5 715	6 912	4 044	(12 635)
Haulotte Hubarbeitsbunnen GmbH	100%	46 195	35 691	1 171	1 231
Haulotte Iberica S.L	98,71%	21 760	15 936	(1 135)	(923)
Haulotte Italia S.R.L.	99%	22 204	14 905	373	1 036
Haulotte Mexico SA de CV ⁽²⁾	99,99%	11 401	8 534	395	101
Haulotte Middle East Fze	100%	11 934	21 589	706	2 512
Haulotte Netherlands B.V	100%	10 403	8 281	610	308
Haulotte Polska Sp Zoo	100%	11 966	9 354	737	524
Haulotte Portugal Plataformas de Elavacao Unipessoal Lda	100% by HAULOTTE IBERICA SL	-	-	-	-
Haulotte Scandinavia AB	100%	22 262	15 433	660	857
Haulotte Singapore Ltd	100%	16 276	20 100	891	889
Haulotte Trading (Shanghai) Co Ltd	100%	12 564	8 282	(2 324)	(978)
Haulotte UK Ltd	100%	23 647	23 782	(95)	260

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Haulotte US Inc	100%	45 056	50 674	3 068	1 800
Haulotte Vostok OOO	100%	15 045	12 946	1 296	264
Horizon High Reach Limited	100%	8 521	10 504	2 032	1 871
Levanor Maquinaria de Elevacion SA	91%	-	(2)	(37)	(34)
Mundielevacao, Aluger e Transporte de Plataformas Lda	90% by LEVANOR	-	-	(4)	(9)
NOVE. Srl	100%	8 413	8 355	5	415
N.D.U maquinaria y plataformas elevadoras, S.L	100% by HAULOTTE IBERICA SL	-	(4)	10	(62)
Equipro / Bil-Jax ⁽¹⁾	100% by HAULOTTE US Inc.	60 532	56 820	2 816	1 515
Haulotte Chile SPA	100 %	-	-	-	-
Horizon High Reach Chile SPA	100%	4 169	3 435	963	(840)
Haulotte India Private Ltd	99,99%	8	2	17	16
Acarlar Dis Ticaret Ve Makina Sanayi A.s.	50%	21 495	15 172	1 921	1 536

⁽¹⁾ Including the following companies: BIL-Jax Inc, Equipro Inc., Bil-Jax Service Inc, Seaway Scaffold and Equipment Inc. and Scaffold Design and Erection Inc.

⁽²⁾ Including Haulotte Service SA of CV.

2 - ACQUISITIONS OF SHAREHOLDINGS OR CONTROLLING INTERESTS

We inform you that the Company acquired no significant shareholdings or controlling interests in companies in 2016.

The Company has not sold any equity interests.

3 - DISPOSALS OF SHAREHOLDINGS RELATED TO ADJUSTMENTS OF CROSS-SHAREHOLDINGS

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

4 - OWN SHARES HELD THROUGH CONTROLLED COMPANIES

In accordance with article L.233-13 of the French commercial code, we inform you that no company directly or indirectly controlled by the Company holds own shares.

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5 - LIST OF EXISTING BRANCH OFFICES

In compliance with article L.232-1, II of the French commercial code, the list of branch offices as of today is disclosed below:

Address	City
Quartier Serve Bourdon	Lorette (42)
Rue d'Harfleur	Le Creusot (71)
104 rue de Courcelles	Reims (51)

6 - INFORMATION ON DEALINGS BY THE COMPANY IN ITS OWN SHARES

In accordance with article L.225-211, paragraph 2 of the French commercial code, we inform you that in the fiscal year ended 31 December 2016, information on trading by the Company in its shares is provided below (ordinary shares and preferred shares):

Number of shares purchased in fiscal 2016	213 858
Average purchase price of own shares in fiscal 2016	13,66
Execution fees	N/A
Number of shares sold in fiscal 2016	215 931
Average sale price of own shares in fiscal 2016	13,89
Number of shares cancelled in fiscal 2016	0
Number of treasury shares recorded in the name of the company at 31 December 2016	1 812 230
Percentage of treasury shares held at 31 December 2016	5,78%
Net carrying value of treasury shares at 31 December 2016	14 729 043 €
Nominal value of treasury shares at 31 December 2016	235 590 €
Nominal value of treasury shares at 31 December 2016 (price of €14.06 on this date)	25 479 954 €

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The breakdown according to the purpose for the use of own shares at 31 December 2016 was as follows

Purposes of share buy-backs	Number of shares
Maintaining an orderly market in the company's shares within the framework of a liquidity agreement based on the model contract drafted in accordance the French association of investment firms' (AFEI or Association Française des Entreprises d'Investissement) Code of Conduct of 8 March 2011 and approved by the AMF (Autorité des Marchés Financiers) on 21 March 2011	113 825
Retaining such shares for subsequent use as a means of payment or exchange in connection with financial transactions or acquisitions, in compliance with applicable regulations	1 629 558
Cancelling shares thus acquired, subject to adoption by the extraordinary shareholders' meeting of the resolution authorizing the Board of Directors to reduce the share capital by cancellation of treasury shares held by the Company	68 847
For employee stock option plans and other share grants in accordance with the provisions of article L.3332-1 et seq. et R.3332-4 of the French Labour Code or grants to employees and/or officers of the Company or companies covered by article L.225-197-2 of the French Commercial Code, of shares of the Company or the grant of shares in connection with employee profit-sharing plans	
TOTAL	1 812 230

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

PART 4 : INFORMATION ON HOLDINGS IN THE CAPITAL

1 - CHANGES IN SHARE CAPITAL IN FISCAL 2016

We note that that on 8 July 2016, the Board of Directors recorded the completion of the capital increase from exercising the option to pay stock dividends in a nominal amount of €14.500,20. On that basis, the share capital was increased from €4.063.765,42 to €4.078.265,62 by the creation of 111.540 new shares with a par value of €0.13 per share, fully paid up.

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2 - IDENTITY OF HOLDERS OF SIGNIFICANT SHAREHOLDINGS

In accordance with the provisions of article L 233-13 of the French commercial code and based on the information and notifications received pursuant to articles 233-7 and L 233-12 of the French Commercial Code, the identity of shareholders directly or indirectly owning over 5%, 10%, 15%, 20%, 25%, 30%, 33%, 50%, 66%, 90% or 95% of the share capital or voting rights on the closing date, and modifications occurring in the period, are disclosed below:

Thresholds	Name of the shareholder	Percentage of holding	
		Capital	Voting rights
5% to 10%	Moneta Asset Management ⁽⁴⁾	5,0002%	3,21%
10% to 15%			
15% to 20%			
20% to 25%			
25% to 33% 1/3			
33% 1/3 to 50%	SOLEM SAS	54,60%	70,03 %
50% to 66% 2/3			
66% 2/3 to 90%			
90% to 95%			
More than 95%			

⁽⁴⁾ Information on equity holdings of Moneta Asset Management, acting on behalf of the funds it manages, is based solely on its declaration of 12 May 2016 to the AMF. On the date of this report, Moneta Asset Management, acting on behalf of the funds under its management, reported having crossed below the 5% threshold according to its declaration of 20 March 2017.

The crossing of thresholds subject to disclosure requirements in accordance with article L.233-7 of the French commercial code:

- 1 - "By letter received 12 May 2016, Moneta Asset Management (36 rue Marbeuf, 75008 Paris), acting on behalf of the funds under its management, reported having crossed above, on 12 May 2016, the threshold of 5% of Haulotte Group's and to hold on behalf of these funds, 1,563,050 Haulotte Group shares representing the same number of voting rights, or 5.0002% of the share capital and 3.21% of the voting rights of this company⁽⁵⁾.

The crossing of this threshold resulted from the acquisition of Haulotte Group shares on the market."

- 2- "By letter received 20 March 2017, Moneta Asset Management (36 rue Marbeuf, 75008 Paris), acting on behalf of the funds under its management, reported having crossed below, on 15 March 2017, the threshold of 5% of Haulotte Group's capital and to hold on behalf of these funds, 1,488,521 Haulotte Group shares representing the same number of voting rights, or 4.74% of the share capital and 3.05% of the voting rights of this company⁶.

The crossing of this threshold resulted from the disposal of Haulotte Group shares on the market."

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To the best of the Company's knowledge, there are no other shareholders holding directly or indirectly or in concert more than 5% of the share capital or voting rights.

⁽⁵⁾ On the basis of a capital comprised of 31,259,734 shares representing 48,689,482 voting rights, in accordance with the second paragraph of article 223-11 of the AMF General Regulation.

⁽⁶⁾ On the basis of a capital comprised of 31,371,274 shares representing 48,738,565 voting rights, in accordance with the second paragraph of article 223-11 of the AMF General Regulation.

3 - EMPLOYEE STOCK OWNERSHIP

In accordance with provisions of article L.225-102 of the French commercial code, we hereby inform you that no shares were held by employees of the Company or by personnel of affiliated companies within the meaning of article L.225-180 as part of an employee stock ownership plan provided for by articles L.443-1 to L.443-9 of the French labour code, and by employees and former employees in connection with a company savings plan (Plan d'Epargne d'Entreprise) to governed by chapter III of the Law 88-1201 23 September 1988 on collective investment undertakings and the creation of debt investment funds. Also taken into account are registered shares held directly by employees in accordance with articles L.225-187 and L.225-196 of said Code, in the previous version entered into force of Law 2001-152 of 19 November 2001 on employee stock savings plans, article L.225-197-1 of this Code, article L.3324-10 of the French labour code, article 31-2 of Ordinance 2014-948 of 20 August 2014 on governance and equity transactions on companies with public participation and article 11 of the Privatisation Act 86-912 of 6 August 1986 in its version prior to its implementation by Ordinance 2014-948 of 20 August 2014.

4 - STOCK OPTIONS OR STOCK PURCHASE OPTIONS AND RESTRICTED SHARE (BONUS SHARE) GRANTS

We inform you that no stock options or stock purchase options were granted to employees of the Company in the fiscal year ended 31 December 2016.

No bonus shares were granted to employees of the Company for the period ended 31 December 2016.

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5 - INFORMATION ON THE COMPANY'S SHARE

At 31 December 2016, the Company's share capital was comprised of 31.371.274 shares.

The market capitalisation at 31 December 2016 was €441 million.

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

Date	High (price)	High (date)	Low (price)	Low (date)	Closing price	Average price (opening)	Average price (closing)	Trading volume	Capital (€m)	Number of trading sessions
Jan. 16	14,61	13/01/16	12,80	20/01/16	13,85	13,876	13,826	424 945	5,88	20
Feb. 16	14,39	05/02/16	12,53	12/02/16	13,44	13,396	13,321	344 435	4,61	21
Mar. 16	14,70	07/03/16	13,41	03/03/16	14,00	13,933	14,007	342 228	4,81	21
Apr. 16	14,49	18/04/16	12,93	07/04/16	13,65	13,750	13,690	240 288	3,33	20
May 16	16,01	26/05/16	13,53	06/05/16	15,10	14,621	14,667	392 497	5,94	22
Jun 16	15,85	03/06/16	13,05	24/06/16	13,74	14,815	14,854	380 810	5,57	22
Jul. 16	14,07	20/07/16	13,30	06/07/16	13,92	13,786	13,812	181 807	2,51	21
Aug. 16	15,47	31/08/16	13,96	01/08/16	15,37	14,477	14,517	230 951	3,37	23
Sep. 16	16,00	05/09/16	12,86	15/09/16	13,46	13,745	13,674	1 008 995	13,78	22
Oct. 16	13,49	03/10/16	12,20	28/10/16	12,62	12,811	12,772	263 523	3,37	21
Nov. 16	12,84	15/11/16	11,79	09/11/16	12,67	12,544	12,550	250 449	3,15	22
Dec. 16	14,23	28/12/16	12,42	06/12/16	14,06	13,268	13,340	704 658	9,35	21

In the period ended, the **HAULOTTE GROUP** est de 16.01 € (le 26 mai 2016), alors que le cours le plus bas est de 11.79 € (le 9 novembre 2016).

PART 5 : TAX INFORMATION

1 - SUMPTUARY EXPENSES AND DISALLOWED DEDUCTIONS

In compliance with the provisions of article 223 quater of the French general tax code, accounts of the period ended include non-deductible expenses according to article 39.4 of the French general tax code of €59,526, whereby the amount thus added back to income resulted in a corresponding decrease in the loss carry forward.

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2 - DIVIDENDS DISTRIBUTED BY THE COMPANY IN THE LAST THREE FISCAL YEARS

As required by article 243 bis of the French general tax code, information on dividends paid for the last three fiscal years is disclosed below:

Date	Dividends distributed (excluding treasury shares)	Distributed amount eligible for the 40 % tax basis reduction provided for under article 158 3 2 of the French general tax code.	Distributed amount not eligible for the 40 % tax basis reduction provided for under article 158 3 2 of the French general tax code
Fiscal year ended 31 December 2015	6 480 761,11 €	6 480 761,11 €	None
Fiscal year ended 31 December 2014	6 465 923,20 €	6 465 923,20 €	None
Fiscal year ended 31 December 2013	4 406 445,89 €	4 406 445,89 €	None

PART 6 : INFORMATION REQUIRED UNDER ARTICLE L.225-100-3 OF THE FRENCH COMMERCIAL CODE

1 - SHAREHOLDER BASE

The Company's capital is majority held by SOLEM, in turn held by the Saubot family.

At 2016 year-end, the company's capital structure was as follows:

- Solem: 54.40% of the share capital (and 70.03 % of theoretical voting rights and 72.73% of exercisable voting rights).
- Free float (registered and bearer shares): 38.67 % of the share capital (and 24.89 % of theoretical voting rights and 25.85% of exercisable voting rights).
- Holders of registered shares: 1.16% of the share capital (and 1.37% of theoretical voting rights and 1.42% of exercisable voting rights).
- Treasury shares: 5.77 % of the share capital (without voting rights).

2 - RESTRICTIONS UNDER THE ARTICLES OF ASSOCIATION ON THE EXERCISE OF VOTING RIGHTS AND THE TRANSFER OF SHARES OR THE PROVISIONS REPORTED TO THE COMPANY IN COMPLIANCE WITH ARTICLE L. 233-11 OF THE FRENCH COMMERCIAL CODE

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

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

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3 - LIST OF DIRECT OR INDIRECT SHAREHOLDINGS IN THE COMPANY'S CAPITAL OF WHICH IT HAS KNOWLEDGE BY VIRTUE OF ARTICLES L.233-7 AND L.233-12 OF THE FRENCH COMMERCIAL CODE

Refer to paragraphs 3 and 4 of part 3 of this report.

4 - HOLDERS OF ALL SHARES CONFERRING SPECIAL CONTROL RIGHTS AND A DESCRIPTION THEREOF

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

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

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

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

5 - CONTROL MECHANISMS PROVIDED FOR IN A POTENTIAL EMPLOYEE STOCK OWNERSHIP SYSTEM WHERE CONTROL RIGHTS ARE NOT EXERCISED BY THE LATTER

None.

6 - AGREEMENTS BETWEEN SHAREHOLDERS OF WHICH THE COMPANY HAS KNOWLEDGE AND WHICH COULD RESULT IN RESTRICTIONS ON THE TRANSFER OF SHARES AND THE EXERCISE OF VOTING RIGHTS

None.

7 - RULES CONCERNING THE APPOINTMENT AND REPLACEMENT OF DIRECTORS AS WELL AS MODIFICATIONS TO THE ARTICLES OF ASSOCIATION

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

Appointment of directors:

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

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

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

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

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

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

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

Directors are appointed for a term of six years (article 12 of the articles of association).

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

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

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

Replacement of directors:

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

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

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

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

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

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

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

8 - POWERS OF THE BOARD OF DIRECTORS, IN PARTICULAR FOR THE ISSUANCE OR REPURCHASING OF SHARES

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

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

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

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

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

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

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9 - AGREEMENTS ENTERED INTO BY THE COMPANY WHICH ARE MODIFIED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF THE COMPANY

Agreements have been entered into by the Company containing clauses in the event of a change in control, and notably in the case of contracts entered into with certain service providers or financial institutions.

10 - AGREEMENTS PROVIDING FOR INDEMNITIES FOR MEMBERS OF THE BOARD OF DIRECTORS OR EMPLOYEES SHOULD THEY RESIGN OR BE DISMISSED WITHOUT DUE CAUSE OR SERIOUS GROUNDS OR SHOULD THEIR EMPLOYMENT CONTRACT BE TERMINATED AS A RESULT OF A PUBLIC TAKEOVER BID

None.

PART 7 : EMPLOYMENT-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION

In compliance with articles L225-102-1, paragraph 7 and R.225-105-2, II of the French commercial code, employment-related, environmental and social information in this report has been audited in compliance with the provisions of statute and regulations, by an independent third-party, whose opinion is enclosed with this report.

In accordance with article R.225-105 of the French commercial code we hereby report to you on actions taken and policies adopted by the Company and its subsidiaries for the purpose of taking into account the impacts of its business on employment, the society and the environment and to fulfil its social commitments in favour of sustainable development.

1 -CORPORATE SOCIAL RESPONSIBILITY DISCLOSURES

As required by the provisions of article R.225-105-1 of the French commercial code, employment-related information for Haulotte Group SA (L'Horme, Lorette, Reims and Le Creusot) is presented below. This information is presented in the same form as prior years with information for subsidiaries aggregated by region:

1.1 Employment

1.1.1 Total workforce of Haulotte Group with a breakdown by gender, age and region

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Workforce of Haulotte Group SA (sites de L'Horme, Lorette, Reims et Le Creusot):

	Women	Men	Total 2016	Total 2015	Total 2014
Management employees	45	190	235	223	213
Office, technical and supervisory staff	53	97	150	140	131
Plant workers	25	174	199	210	224
Work-study	6	13	19	11	4
Trainees	5	2	7	4	5
Total	134	476	610	588	577

For the Haulotte Group SA reporting boundary, the Company had 59 temporary male employees at 31/12/2016 (compared to 98 in 2015 and 11 in 2014) and 5 temporary female employees at 31/12/2016 (compared to 9 in 2015 and 2 in 2014).

Age breakdown of the Haulotte Group SA workforce:

Age breakdown	2016	2015
< 25	26	19
25 to 34	136	137
35 to 44	224	217
44 to 54	162	153
> 55	62	62
Total	610	588

The age pyramid of Haulotte Group SA remained relatively stable between 2015 and 2016.

Workforce of Haulotte Group SA and Haulotte Group SA subsidiaries by region at 31 December 2016 vs. 31 December 2015:

	Women	Men	Total 2016	Women	Men	Total 2015
HAULOTTE GROUP SA	134	476	610	126	462	588
ASIA PACIFIC	36	93	129	36	88	124
EUROPE	91	380	471	80	318	398
SOUTH AMERICA	34	43	77	25	61	86
NORTH AMERICA	40	188	228	39	198	237
Total	335	1 180	1 515	306	1 127	1 433

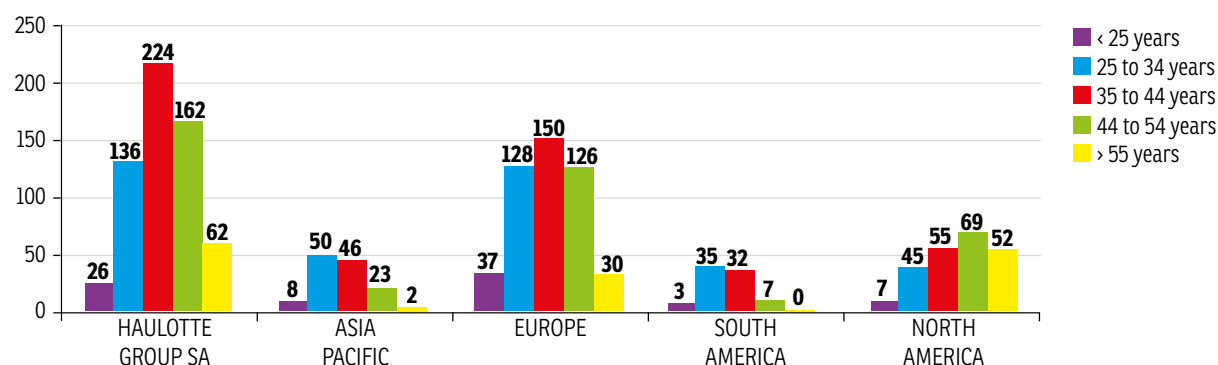
The headcount of Haulotte Group SA subsidiaries remains stable in the different regions, with the exception of Europe where the number of employees increased significantly at our Romanian subsidiary in 2016.

The percentage of women in the workforce worldwide remained stable in 2016 (22% in 2016 compared to 21% in 2015). In South America, percentage of women in the workforce increased from 29% in 2015 to 44% in 2016.

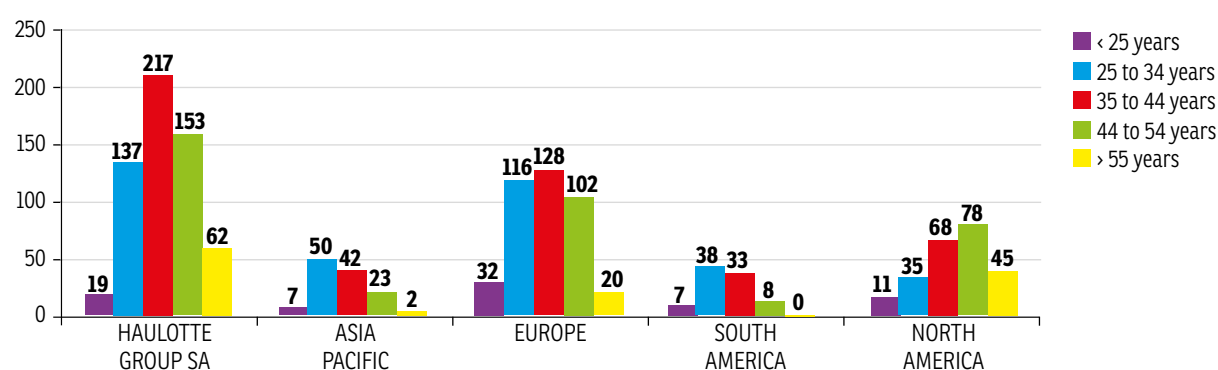
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2016 breakdown by region and age bracket (number of persons):



2015 breakdown by region and age bracket (number of persons)



Concerning the breakdown by age bracket and region, there were no significant changes between 2015 and 2016. Employees between 35 to 44 years of age continue to represent the largest age bracket at Haulotte Group SA.

The Asia-Pacific region continues to have a high proportion of young employees (25 to 34 years of age), in contrast to North America where the employees between 45 to 54 continue to represent the largest age bracket.

1.1.2 Recruitment and layoffs

Recruitment corresponds to the staff replacements or the creation of posts.

Embauches au sein de la société Haulotte Group SA

In number	2016	2015	2014
PERMANENT CONTRACTS	35	31	36
PERMANENT EMPLOYEES DEPARTING IN THE PERIOD	1	1	3
PERMANENT EMPLOYEES TRANSFERRED IN THE PERIOD	0	0	0
FIXED-TERM CONTRACTS	20	15	16
TRAINEES	43	23	28
APPRENTICES	6	2	1
VOCATIONAL TRAINING CONTRACTS	6	6	3
Total	111	78	87

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Departures within Haulotte Group SA:

In number	2016	2015	2014
DEPARTING PERMANENT EMPLOYEES	33	30	40
- Resignations	11	5	12
- Dismissals	3 (of which 1 fixed-term contract)	9	7
- End of trial period	1	3	3
- Retirement	5	7	6
- Death	2	1	2
- Negotiated termination	11	5	9
- Other reasons	1	0	1
END OF FIXED-TERM CONTRACTS	11	10	6
EARLY TERMINATION OF FIXED-TERM CONTRACTS	2	3	0
END OF TRAINEESHIP	38	23	25
END OF QUALIFICATION CONTRACTS	3	0	2
Total	88	67	74

Recruitments and departures for subsidiaries by region and for Haulotte Group SA:

	Recruitments 2016	Recruitments 2015	Dismissals 2016	Dismissals 2015
HAULOTTE GROUP SA	111	78	88	67
ASIA PACIFIC	29	35	19	9
EUROPE	93	64	68	80
LATIN AMERICA	10	13	19	10
NORTH AMERICA	50	82	46	45
Total	293	272	240	211

The largest influx of new employees was in Europe, mainly at the Romanian subsidiary. North America represents a region characterised by high turnover.

1.2 Remuneration and compensation trends

1.2.1 Remuneration within Haulotte Group SA

The remuneration policy of Haulotte Group SA is revised every year in relation to the performance of the company and its subsidiaries and the economic context.

- 2014 payroll (French statutory headcount): €21,893,035
- 2015 payroll (French statutory headcount): €22,984,070 (4.98%)
- 2016 payroll (French statutory headcount): €24,401,774 (6.17%).

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Haulotte Group SA's remuneration system is managed locally. Nevertheless, the Group complies with regulations governing minimum contractual wages and grants fixed compensation as well as, for certain managers, variable compensation linked to collective and individual objectives.

The payment of compensation of subsidiaries is managed locally by the subsidiaries themselves or external service providers (such as accounting firms) according to local practice and the size of the subsidiaries.

1.2.2 Profit-sharing schemes at Haulotte Group SA

Under the terms of the agreement covering Haulotte Group and its main French subsidiary, no payments were made in 2016 under the statutory profit-sharing scheme for fiscal 2013.

1.2.3 Voluntary profit-sharing scheme payments in 2016 for fiscal 2015 (Haulotte Group SA)

Haulotte Group SA and its main French subsidiary (Haulotte France) have adopted an agreement for a voluntary profit-sharing scheme for fiscal years 2014, 2015 and 2016. On that basis, profits from 2015 resulted in profit-sharing payments in 2016.

1.3 Work organization

1.3.1 Organisation of working hours at Haulotte Group SA

All Group establishments comply with provisions governing working hours, in accordance with specific laws and local regulations. The organization of working hours varies according to the local context of each subsidiary or production site based on different work schedules.

For Haulotte Group SA, full-time non-management employees are paid on the basis of a 35 hour workweek in accordance with the French legal working hours. Managers work according to days-per-year arrangement on the basis of 218 days per year. To guarantee this fixed annual number of days, on top of the statutory five weeks of vacation, Managers are granted 10 additional days off.

Non-management employees, according the establishment, a system for the accrual of supplementary vacation days to compensate hours worked beyond 35 hours (RTT or Réduction Temps de Travail) was implemented following the new working hours agreement signed in 2016. Accordingly, the establishments of Reims and Creusot have a 36 hour workweek providing for 6 supplementary "RTT" vacation days per year,

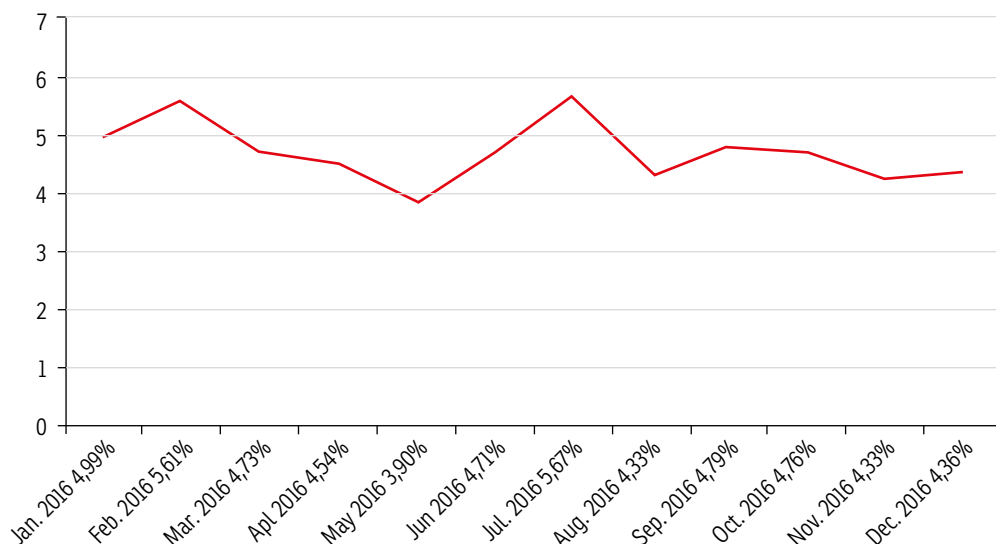
The establishments of L'Horme and Lorette have a work week of 37 1/2 hours providing for the 14 supplementary "RTT" vacation days per year.

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1.3.2 Absenteeism

The following chart represents the rate of absenteeism at Haulotte Group for financial year 2016:



For information, the reasons taken into consideration in calculating absenteeism are as follows:

- Unjustified absences,
- Occupational accidents, fully covered or partially covered,
- Commuting accidents,
- Illnesses, declared or undeclared
- Occupational illnesses
- Tardiness.

The calculation is as follows:
$$\frac{\text{Hours of absence (for the above reasons)}}{\text{Theoretical number of hours worked}}$$

The average absenteeism rate for Haulotte Group SA in 2016 was marginally down from the prior year (4.72% compared to 4.99% in 2015). Illness remains the primary cause of absenteeism with several cases of long-term sick leave.

To reduce the incidence of absenteeism due to illness, a flu vaccination campaign is launched every year at different sites before the beginning of the winter flu season offering employees free vaccinations. The vaccinations are carried out on-site during working hours by the Group nurse.

For Group subsidiaries, it is difficult to produce a reliable rate for absenteeism on the basis of common rules defined for all entities. We will report on this indicator as soon as this calculation has been effectively implemented by all entities and is applied at the international level.

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1.4 Labour relations

1.4.1 The organisation of dialogue between employees and management, and notably procedures for providing information, consultation and negotiations with employees

The engagement of Employee Representatives notably in a worldwide economic environment in profound transformation is essential for Haulotte Group. The Company is committed to maintaining quality dialogue with employees through its employee representation bodies which has contributed to the signature of company-level agreements on a regular basis.

1.4.2 Report on collective agreements

In 2016, for Haulotte Group SA, five major agreements were signed:

- Agreement on the compulsory annual negotiations.
- Agreement on the organisation of working hours.
- "Safety Challenge" agreement.
- Amendment to the 2014-2016 profit-sharing agreement.
- Agreement relating to the additional profit-sharing arrangement.

In 2016, the Central Works Committee met eight times. These included ordinary and extraordinary meetings and agreement oversight committee meetings.

In addition to these agreements, several agreements have been signed with all labour unions in recent years:

- Workplace Equality agreement in 2012.
- Difficult Working Conditions Prevention agreement in 2012.
- Intergenerational agreement in 2013.
- 2014 Profit-Sharing bonus agreement.
- 2014 Incentive Plan agreement.
- 2015 gender equality agreement.

For Haulotte France:

- Agreement on the compulsory annual negotiations.
- Agreement relating to the additional profit-sharing arrangement.
- "Safety Challenge" agreement.

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1.5 Health and safety

1.5.1 Occupational health and safety conditions

The health and safety of employees and all external persons present at all its sites remain a priority for Haulotte Group.

For that reason, managing and coordinating occupational health and safety on a day-to-day basis is spearheaded by the Human Resources Department with the support of managers of each production site and subsidiary of the Group.

Safety remains an active priority within Haulotte Group SA and all subsidiaries, with continuing efforts promoting measures already launched: safety training and awareness-raising during the integration phases, publication of an occupational health and safety guide for all employees, continuation of the "safety challenge" initiative, distributing to each new employee the Haulotte Group safety charter.

The Safety Challenge involves the distribution of gift vouchers for employees in sectors/sites that recorded a reduction in the number of accidents.

In addition, "safety days" that have been organized for the last five years, provide an opportunity to raise awareness of all staff at all sites and from every function about risks and practices to be adopted.

All measures adopted addressing the subject of safety within the Group are destined to develop and promote a culture for preventing occupational accidents and illnesses within the company.

In the area of psycho-social risks, at the end of 2015, the company provided awareness-raising training continued in 2016 for all managers at all levels of management (France reporting boundary). Assistance from a specialised counselling unit is available on request if needed. Also in 2016, a study was launched on Workplace Quality of Life that will cover the entire Group starting 2017 through different programs and projects concerning working conditions in the broad sense and the training of managers.

1.5.2 Report on agreements signed with trade unions or employee representatives concerning occupational health and safety

Following the signature of an agreement with labour partners on preventing difficult working conditions, Haulotte Group is pursuing its efforts by deploying a risk reduction strategy, promoting a culture of prevention based on the practices adopted by every employee and by strengthening measures to protect the health of its employees and external persons in the workplace. Beyond criteria under French law relating to occupational stress, the Group is pursuing a global approach to improving workplace quality of life.

Following the agreement signed in September 2012, committee meetings have been organised with labour partners to monitor its application. An agreement for improving working conditions, including data on stressful working conditions and workplace quality of life will be negotiated in 2017.

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1.5.3 Occupational accidents, including in particular frequency and severity rates, as well as occupational illnesses

In 2016, the Group recorded 17 occupational accidents (excluding temporary personnel). This indicator increased by five units in relation to 2015 as a result of the high turnover of temporary personnel, with a 1.92% increase in the number of lost time days. The frequency rate rose marginally (from 13.29 to 18.56) and the severity rate remained stable (1.01). In both cases, the Company remains below the national accident frequency and severity rates for the metallurgy industry.

For the entire Group, accidents reported (the figures below include temporary personnel) broke down as follows:

	Number of accidents 2016	Number of accidents 2015
ASIA PACIFIC	1	0
EUROPE	5	7
LATIN AMERICA	3	1
NORTH AMERICA	6	10
HAULOTTE GROUP SA	31	23
TOTAL	46	41

Concerning occupational illnesses, two cases were recorded in 2016.

1.6 Training

1.6.1 Training policies implemented

With a long-term conviction in the importance of training in driving the achievement of performance goals for our staff and our Group, we have integrated this mechanism for accumulating individual benefits into our training offer. This has in consequence resulted in a considerable increase in the number of training hours for the development of the employability and skills of all our teams.

Our policy is henceforth broken down into three main categories:

- **Training leading to certification and diplomas** for developing the skills of our staff, guaranteeing their employability and securing their professional career path, as part of an initiative to promote the personal training account system internally and also the training considered a priority by the company. In 2015 we participated in 160 training programs leading to certification and diplomas, representing 21.2% of our work force in France (150 employees and 2,112 training hours).
- **Internal training for integration, products and business lines**, making use of a network of instructors present at our production sites and most of our subsidiaries, and on an e-learning platform implemented in 2011 and accessible to all. This platform provides a vehicle for optimising and capitalising on the different training material and actions carried out within the Group. A process for job function integration is replicated across all manufacturing subsidiaries with a specific program incorporating safety and training into the business activity.

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- External training programs falling within the scope of our strategic map:

- The consolidation of our key operating activities (R&D, purchasing, industrialisation, etc.),
- Project management in connection with the Better & Faster NPD processes,
- Commercial positioning (Become a solution Provider) as part of the booster program,
- Language training to promote the internationalisation of its teams,
- Office automation software and information technology training to promote greater workplace efficiencies through knowledge of these tools,
- Training relating to our new ERP,
- The safety of our employees.

1.6.2 Training commitments

	2015	2016
Mandatory contribution	€ 229 840	€ 244 018
Supplemental educational expenses	€ 310 308	€ 325 307
Training commitments	€ 540 148	€ 569 325
Grants received	€ 130 632	€ 300 366
Actual cost for the company	€ 409 516	€ 268 959

In 2016, training commitments in France represented:

- 9,239.50 hours of training compared to 7,472 in 2015 and 5,913 in 2014.
- Training was provided to 391 employees in 2016 compared to 389 in 2015 and 172 in 2014.

Of which:

- women represented 21% of employees that received training, compared to 21% in 2015 and 17% in 2014,
- plant workers accounted for 15% of training hours compared to 18% in 2015 and 20.6% in 2014,
- office workers, technicians and supervisory staff accounted for 36% of training hours compared 31% in 2015 and 15.6% in 2014,
- management employees accounted for 48% of training hours compared to 51% in 2015 and 63.8% in 2014.

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For the rest of the world, excluding France, changes and training measures break down as follows:

	Training hours completed 2016	Training hours completed 2015
ASIA PACIFIC	1 319	1 090
EUROPE (Excluding France)	5 385	4 640
LATIN AMERICA	120	352
NORTH AMERICA	2 100	1 500

Changes in the number of training hours frequently reflect internal training campaigns (such as the program for driving permits for our machines) launched every 2 to 3 years. These training programs are for the most part imposed by regulations and mandatory for our employees. As such, this does not necessarily represent an increase or decrease in our training efforts.

1.7 Equal opportunity and non-discrimination

1.7.1 Measures adopted to promote gender equality

Haulotte Group promotes gender equality in the workplace through a policy built on dialogue between management and employees and on training.

A workplace gender equality agreement was signed in 2015 by Haulotte Group and in 2013 by Haulotte France. This agreement is largely focused on equal opportunity in recruitment, internal career advancement, measures in schools promoting women in the workplace, training, wage equality, work-life balance, and taking into account the demands of parenting at all levels. In addition, this principle of non-discrimination is applied both to the recruitment process and throughout the career to our subsidiaries, guaranteeing equal access to training and internal promotions.

As every year, an annual report was produced to compare the situation between men and women for each socio-professional category.

Recruitment

The analysis of recruitment in 2016 highlighted the non-discrimination policy applied by the Company. On that basis, job offers do not make any reference to gender or age. In this way, only the technical requirements of the position, experience and above all the expertise of the candidates are taken into account in the recruitment process.

Headcount trends

Over this same period, the percentage of women continued to grow marginally from 21.4 % to 22 %.

As a general rule, age and average seniority for men and women show identical trends.

Women employees are largely concentrated in the corporate support functions of the company.

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Working conditions

In terms of socio-professional categories, the presence of women is higher in management and office, technical and supervisory personnel and equivalent personal categories. These female employees, working during the day, are mainly exposed to occupational risks associated with administrative activities. Male employees occupying a larger number of positions in production, and in the plant worker category, are exposed to occupational risk relating to manufacturing activities.

Indicators relating to the organisation of occupational and family responsibilities are as follows:

- Signature of workplace gender equality agreements at Haulotte Group and Haulotte France,
- Requests for parental leave are systematically accepted. In 2016, 28 employees took parental leaves for periods of 11 consecutive days, in addition to the standard days of leave granted following the birth of a child,
- The issue of balancing professional and personal life is addressed in annual review meetings.

1.7.2 Measures adopted to promote integration of disabled persons

Haulotte Group SA promotes the employment of persons with disabilities. In 2016, its workforce included 28 persons with disabilities (compared to 26 in 2015 and 27 in 2014).

The current number of employees with disabilities in conjunction with subcontracting selected work to sheltered work facilities, have enabled us to meet our overall legal obligations in this area. As a result, the company has not been required to pay the disabled workers tax for the last three years, reflecting these efforts for employment of persons with disabilities.

At all subsidiaries, there is no discrimination with regards to access to employment by disabled persons.

1.7.3 Policy implemented to combat discrimination

The Human Resources functions and management of subsidiaries and manufacturing sites ensure these non-discrimination practices are properly applied. To that purpose, all Haulotte employees are provided with a professional behaviour charter when they join the Group. This charter strictly prohibits all practices or behaviours that may be considered with respect to national laws as discrimination based on nationality, ethnic origin, religion, age or gender or as moral or sexual harassment.

1.7.4 Promoting and respecting ILO core conventions on the freedom of association and protection of the right to organise and negotiate collective bargaining agreements, eliminating employment and occupational discrimination, abolishing forced labour and the effective abolition of child labour are respected

The company's general policy complies with the general principles of international law (OECD, ILO, community law) and national laws that exclude in particular any form of discrimination, harassment, use of forced labour or child labour. In particular, the Group ensures that the dignity of its staff, subcontractors, temporary workers and suppliers is respected.

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In countries qualified as «at risk» where the Group has operations, Haulotte Group knows all employees authorised to be present at the site through personnel lists transmitted on a monthly basis to the personnel department based in Lorette, France.

In addition, the sites are regularly visited by Group staff in the performance of their functions. This staff is thus able to provide all necessary feedback on working conditions at the sites.

In parallel, French expatriate employees are present at each subsidiary or production site outside of France and ensure that the cultural values of Haulotte Group and the practices of the country, and therefore of the subsidiary or production site, are properly aligned.

Major social changes:

As part of its necessary adaptation to a changing environment, and in line with its vision, Haulotte Group has adopted a transformation process driven by its values of engagement and responsibility, the quest for excellence and performance and a spirit of respect and confidence.

This process that was launched in 2016 will continue over several years through different projects seeking to create a workplace environment adapted to the engagement of its employees.

2 - ENVIRONMENTAL INFORMATION

The Group maintains its proactive and energetic commitment to sustainable development: promoting progress, improving working methods, managing environmental risks and impacts, respecting local regulations, lines of action focusing on prevention, safety and health.

Action plans focusing on prevention, protection and social progress are in place at all Group divisions and subsidiaries. Continuing efforts to mobilize empower and raise awareness about the environmental risks and impacts associated with the activities of every employee, are key success factors of the Group in the area of sustainable development.

The Group is confronted with the main environmental challenges: climate change, the quality and availability of natural resources (air, water, ground and energy), protecting biodiversity and ecosystems.

This management report concerns mainly the industrial divisions (production sites) as the entities using the most energy and generating the most waste, and therefore with the largest environmental impact. On this basis, we have sought to provide information in particular on:

- The three sites certified ISO 14001: L'Horme, Le Creusot and Reims sites that account for 58% of the manufactured equipment transferred to subsidiaries.
- The Argès site in Romania, in light of its significant position, accounting for 22% of manufactured equipment transferred to subsidiaries.

The Archbold and Changzhou sites are not included in the data collection process in order to put into place an appropriate organization and collection method.

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Due to their limited impact on the environment, the distribution and rental subsidiaries are not included in the reporting boundary for data collection.

The environmental disclosures required by L.225-102-1 of the French commercial code are provided below:

2.1 General environmental policy

Haulotte Group has voluntarily implemented an environmental management system in accordance with ISO 14001 that is being gradually deployed across all production sites.

Our objectives with respect to environmental protection remain focused on managing risk in those areas where we operate, managing our energy consumption, preventing pollution and waste management and reduction.

2.1.1 The Company's organizational structure to take into account environmental issues, and if need be, steps taken for environmental evaluation or certification

The general policy on the environment has led to ISO 14001 certification of its production sites:

- 2010: L'Horme site,
- 2012: Creusot site,
- 2013: Reims site.

Environmental responsibilities are fully defined at all levels of the Group's organization. Each plant manager is responsible for his site and, on that basis, the proper application of the Group's policy, its environmental management system and results. To address these priorities, the European and American divisions have dedicated teams. Environmental and/or safety coordinators in Europe or maintenance managers for the United States are tasked with applying local regulations and internal procedures for the environment. Coordination at the central level is ensured by the manager responsible for the quality and environmental management systems who reports to the Industrial Manager.

The French sites operate under special authorization in accordance with French environmental protection regulations (Installations Classées pour la Protection de l'Environnement or ICPE). Continuing compliance with obligations in this area is assured by means of regulatory intelligence. Relations with the administration in charge of installations subject to environmental authorizations (ICPE) ensure constructive dialogue relating to trends for activity at production sites.

Finally, in compliance with ISO 14001, the three certified sites have developed procedures for addressing stakeholder issues through a communications management system.

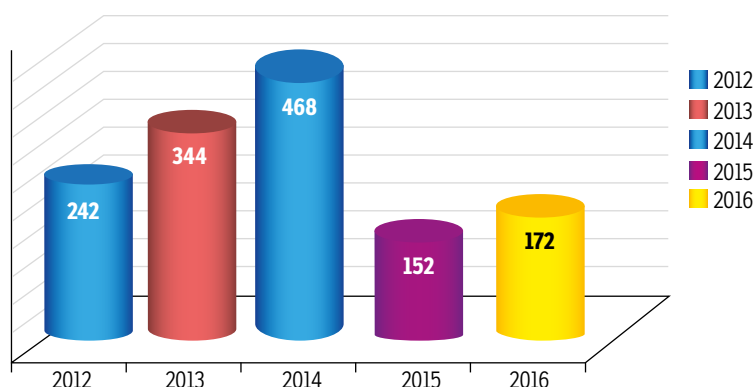
2.1.2 Training and employee information actions relating to environmental protection

As part of their integration process, new employees receive environmental training. Awareness-raising initiatives are continuing with field inspections by the environmental coordinators for the site. Furthermore, a certain number of employees have received training on the use of emergency kits and work related risks of explosive atmospheres, chemicals and the loading and unloading of hazardous materials.

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Number of trained persons



Source: Internal and external training report records, 2016 data for training modules on "The environment for everyone", "Transporting hazardous materials", "Chemical products", "Explosive atmospheres (ATEX)", reporting boundary for French and Romanian production sites.

During the ISO 14000 certification process for the sites, training campaigns were carried out (from 2010 to 2014). For 2015, training concerned mainly newly recruited employees.

For other employees, regular communications initiatives are carried out reminding and informing them good practices.

In addition, all outside persons working at our sites are provided with information on our approach along with instructions and the Group Environmental Quality policy that they must respect.

2.1.3 Resources devoted to preventing environmental risks and pollution

The main environmental risks associated with Group activities concern accidental spillage, fire and explosion. The Group's approach for preventing and managing such risks is based on several lines of actions:

- identifying the risk areas at our sites,
- pollution control through confinement or reduction solutions (retention tanks, emergency kits, protected storage facilities, etc.),
- periodic verifications and maintenance of installations and protective systems (changing filters and cleaning the painting cabins, control of emissions, verification of extinguishers, etc.),
- pumping of our hydrocarbon separators and surface treatment baths,
- Security and control through infrared thermography of electrical cabinets, exercises for testing responsiveness to emergency situations.

All these measures are accompanied by employee-awareness raising initiatives.

In addition, a specific budget (budget ISO 14001) is allocated to environmental management.

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2.1.4 The amount of provisions and guarantees for environmental risks, subject to the condition that its disclosure would not constitute a serious prejudice to the Company with respect to litigation in progress

Haulotte Group does not set aside provisions for environmental risks. However, in the event of accidental pollution, an environmental damage insurance policy covers all production sites for such risks

2.2 Pollution and waste management

Waste management and reduction represents one of our objectives in the area of environmental protection.

A number of environmental preservation action plans have been drawn up in strict compliance with the laws and regulations that apply in the countries where the Group operates.

2.2.1 Measures to prevent, reduce or repair serious adverse effects on the environment from emissions into air, water and soil

The Group has implemented a number of prevention measures:

- In connection with the quality and environment management systems, internal audits and field inspections are performed at regular intervals to ensure continuing improvements in our performances. These measures also provide ideal opportunities for maintaining a high level of employee awareness.
- Certified sites have produced an environmental analysis to identify significant environmental aspects related to the activity with potential for environmental impact. The results of this analysis highlight above all the key areas over which we possess the means of control. Annual objectives and targets approved by management are incorporated in the Quality Safety Environment management programs.
- In France, a Safety Advisor is appointed and oversees compliance with regulation governing hazardous materials used in production. Measures for improvement are implemented to secure the transport of hazardous materials from receipt at our sites to their evacuation by our waste management partners.
- Haulotte opens the doors of its manufacturing and commercial sites that are regularly visited by insurers, notably property insurers, to promote a continued spirit of partnership and trust. In this way, Haulotte works with its insurers to implement the recommendations developed pursuant to their visits.

Measures to reduce and repair our discharges involve different lines of action:

- Maintenance services present at the production sites are tasked with servicing, repairing, adjusting, testing, and verifying equipment (machinery, vehicles, manufactured products, etc.) and installations. This allows us to be responsive and make preventive improvements through an exchange of information between persons responsible for maintenance at the sites.

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- Continuous employee awareness-raising initiatives and preventive measures.
- Use of powder and high solid liquid paint containing less solvents. These paints make it possible to reduce emissions of volatile organic compounds (VOC).

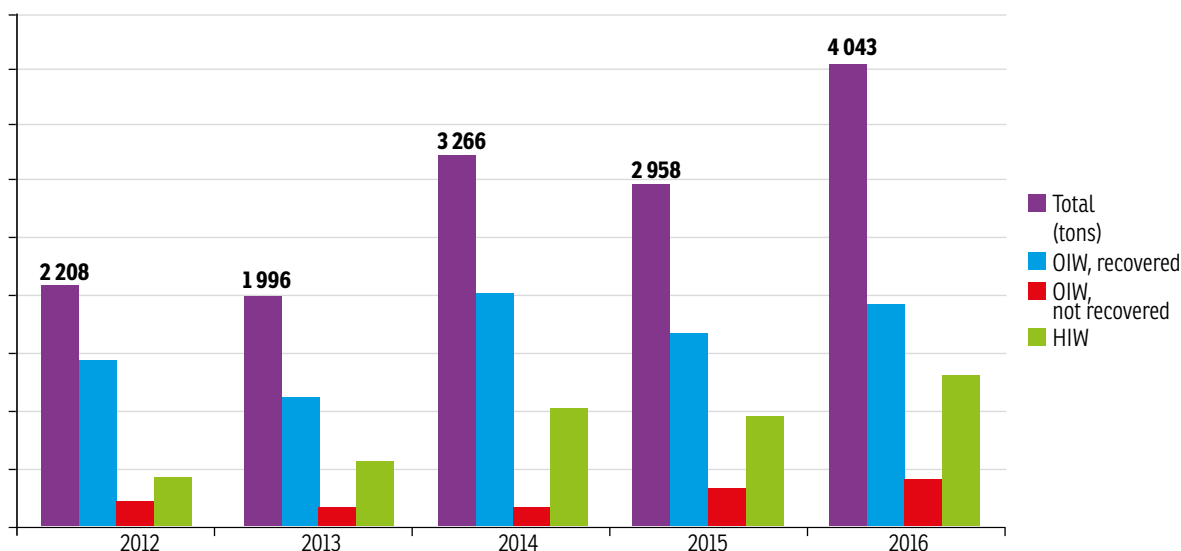
2.2.2 Waste prevention, recycling and elimination measures

The Group also ensures that the production of waste is effectively managed at every stage of its activity, both at production sites and offices.

For production sites, waste management is organized in terms of a number of key steps:

- identifying waste with instructions that are provided through environmental training programs,
- verifying the regulatory compliance of our waste management service providers,
- a colour coding system: 1 waste = 1 bin = 1 colour This method contributes to developing environmentally responsible reflexes and improving on-site sorting.
- storage (storage containers for liquid waste, respecting the compatibility between products, identification for facilitating their evacuation, use of a cardboard compactor, etc.),
- traceability (hazardous waste tracking forms, registers, declarations),
- treatment, with a technical and regulatory knowledge of the waste processing channels, under the site's responsibility,
- periodic monitoring through field inspections.

Waste tonnage and breakdown by category



NHIW consists of non-hazardous industrial waste like wood, cardboard, metal, plastic, etc.

HIW is hazardous industrial waste such as packaging materials contaminated by paint, paint sludge, painting cabin filters, batteries, etc.

Source: Waste tracking registers, invoices, hazardous waste tracking documents, 2016 data, reporting boundary of French and Romanian production sites.

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The waste elimination method depends on its composition: material or energy recovery, recycling, landfills or incineration.

In 2013, cleaning campaigns organized at production sites increased the tonnage of iron.

In 2014, improved waste collection procedures at the Romanian site made it possible to transfer waste to the proper treatment channels. As a result, tonnage of NHIW not recovered declined which contributed to changes in figures for tonnage for the other categories. Furthermore, manufacturing output increased by 6%, accounting for the corresponding increase in waste.

In 2015, measures continued to monitor and improve waste separation procedures (audit, communication).

In 2016, production at the Romanian site increased by approximately 20%. This increase in production in turn was reflected in the total tonnage of waste.

2.2.3 The management of noise pollution and other forms of pollution specific to an activity

The Group's activities do not generate any particular noise pollution and the Group complies with local regulations. Because the production sites are located in industrial zones and corridors, their activities do not generate disturbances to neighbouring populations.

2.2.4 Measures to combat food wastage

As Group companies do not have canteens, there is no food wastage to report.

2.3 Sustainable use of resources

The Group's objective is to achieve greater efficiencies in managing energy and water consumption. Internal documents define the challenges and propose methodologies and lines of action as well as quantified objectives for reducing consumption.

2.3.1 Water consumption and supply in relation to local constraints

The water supply is assured through distribution networks.

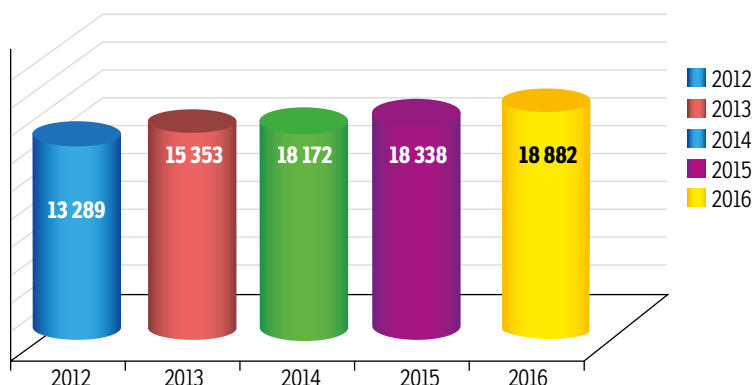
Our main uses for water consumption are:

- Washing the aerial work platforms and telehandlers with high-pressure systems.
- The process of filling the surface treatment tunnel baths and water for rinsing on leaving the tunnel.
- Sanitary facilities.

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Water consumption (m³)



Source : invoices for water, 2015 data, reporting boundary of French and Romanian production sites.

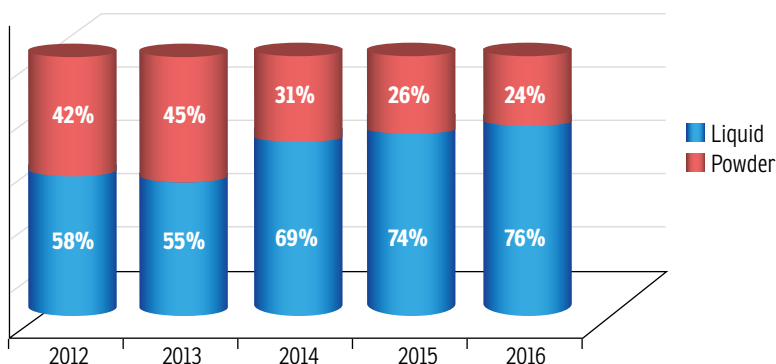
The increase from 2012 to 2014 was attributable to:

- An increase in the number of hours worked and the number of employees (Reims site),
- More frequent refilling of the surface treatment tunnel baths,

In 2015 and 2016, water consumption remained steady.

2.3.2 The consumption of raw materials and measures taken for improving efficiencies in their use

Breakdown of paint consumption



Percentages of liquid paint broken down by the consumption of liquid paint, hardeners and diluents.

Source : invoices, 2016 data, reporting boundary of French and Romanian production sites.

Measures for improving our performance in painting operations:

- During work at one of our production sites, the dosing pumps were moved closer to the painting cabins to reduce consumption of the rinsing diluent,
- During painting workstation training, particular attention is paid to optimizing the application of paint in order to effectively manage the electrostatic system which reduces paint wastage.
- Performing controls of the thickness of coats of paint,
- Monitoring consumption per m² of paint.

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2.3.3 Energy consumption, energy performance measures and use of renewable energies

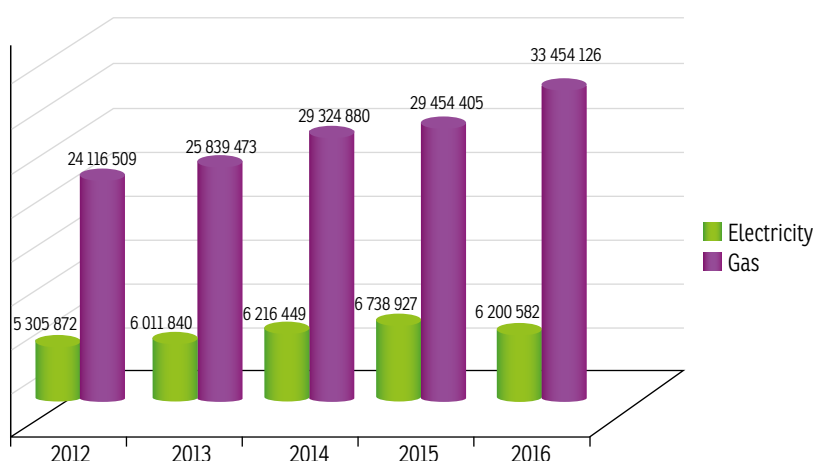
Our main sources of electrical consumption are from:

- Operating production and computer equipment,
- Lighting,
- Air conditioning.

Our main sources of gas consumption are:

- Painting processes. Changes in temperatures between winter and summer seasons directly impact our gas consumption,
- Heating offices and production workshops.

Electricity and gas consumption (KW/h)



Source : invoices for natural gas, 2016 data, reporting boundary of French and Romanian production sites.

Measures taken at some of our sites to improve energy performance include:

- Optimising the start phase of the painting process
- Monitoring gas consumption by equipment through secondary meters
- Improving building insulation
- Shifting to more energy-efficient heaters
- Installation of LED lighting
- Installation of movement sensors for outside lighting

Renewable energies are not used.

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2.3.4 Soil use

Industrial sites are located in zones specifically devoted to industrial activities. The manufacturing process does not involve any use of soil resources.

Environmental impacts are effectively kept under control by the preventive measures and mechanisms in place.

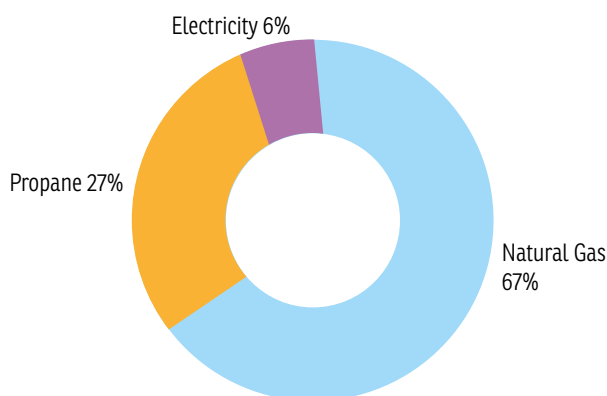
2.4 Climate change

2.4.1 Greenhouse gas emissions

In light of the manufacturing process involved, natural gas is the primary source of emissions.

Energy accounts for 91% of our total emissions.

Breakdown of tons of CO2 emissions by energy



Source : Information from the GHG emissions audit, 2012 data, reporting boundary for the French production site and the Lorette replacement parts site.

The carbon footprint audit is carried out and updated every four years in compliance with applicable regulations. In consequence, a new audit was not performed in 2017 (2016 data collection). The reporting boundary remained unchanged over the two periods. The next study is planned for mid-2017 (2016 data collection).

2.4.2 Adapting to the consequences of climate change

Haulotte's activity has only a limited impact on the environment, and in consequence, a marginal and non-significant impact on climate change. Furthermore, the commercial and industrial activity of Haulotte Group is not directly impacted by the consequences of climate change.

2.4.3 The circular economy

Metal materials are used in the manufacture of Haulotte machines and represent on average 82% of the machines' total weight. These metals are fully recyclable. The remaining 18% consists of liquids: oil, fuel, air-conditioning fluids, glass and polymeric materials that are recycled through specialised decontamination channels.

The wheels comprised of tires and foam represent final waste that is destroyed but cannot be processed for reintroduction into the circular economy. A portion of energy derived from their incineration is recovered. Since 2012, new projects are developing tires without foam for improved recycling.

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2.5 Protection of biodiversity

2.5.1 Measures to preserve or develop biodiversity

Aucun de nos sites n'est implanté dans une zone protégée au titre des réglementations locales environnement.

None of our sites are located in a protected area defined by local environmental regulations.

Measures taken to protect the environment are also destined to promote biodiversity (limiting pollution, not discharging waters into the drainage assistance, annual control of water and air discharges, waste management).

3 - SOCIAL INFORMATION

The social disclosures required by L.225-102-1 of the French commercial code are provided below:

3.1 Territorial, economic and social impact of the Company on employment and regional development, and on neighbouring or local populations

The Group is committed to promoting local employment throughout the world. More generally, the Group's business focus on local service and customer proximity, is reflected in particular by opening subsidiaries in local markets and manufacturing divisions in each region (except in Latin America) to support these markets and use networks of local suppliers. This in turn allows it to optimise supply chain flows, lower cost and reduce environmental impacts.

In this way, since 2011 Haulotte Group has been a member of the ViaMéca Competitive Cluster devoted to mechanical engineering, in the broad sense of the term, covering surface engineering, advanced manufacturing processes, intelligent systems and robotics, etc. This gives it access to the regional ecosystem to identify partners and suppliers to develop its innovation projects.

Highlighting this commitment to promote a better understanding and cooperate with local economic stakeholders and strengthen its territorial base, since 2013 the Group has been a member of the Cluster's Committee and Board of Directors. Since February 2017, the Group occupies one of the positions of Vice Chairman for the Cluster.

More generally, the Group is among the top ten employers of the Loire department and the Creusot – Monceau intercommunity region and the sixth largest employer of Creusot.

The Group's position within the regional economy has also been reinforced by closer ties with institutional stakeholders (regular meetings with Saint-Etienne metropolis, participation in the future inter-community organisation's work), support provided to their actions ("Ambassadeurs Stéphanois" initiative, the city's "French Tech" Label candidacy) and participation in the Club Gier business association grouping companies from the Gier valley industrial and urban region.

An ongoing relationship with the Loire region branch of France's Public Investment Bank (Banque Publique d'Investissement – BPI) (ex-OSEO) has provided foundations for building trust and support to the financing of innovation. Services proposed by the Chamber of Commerce and Industry of St Etienne Montbrison Chamber and also of Lyon, are also of increasing interest to Group employees, providing opportunities for monitoring developments in specialised fields (taxation, customs Incoterms, etc).

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At the international level, in 2012, Haulotte Group was among the five largest exporters of the Loire department (CCI, Customs), the top 50 of the Rhône-Alpes Region, and 541st at the national level, excluding activities of its foreign subsidiaries. In the same spirit, according to the Economic Development Department of the St Etienne metropolis, Haulotte is among the department's top five "Intermediate Sized Companies", i.e. with a largely family-owned shareholder base, historically rooted in the Saint-Étienne region yet with a broad international reach (with exports accounting for more than 70% of sales).

3.2 Relations with stakeholders, including in particular associations promoting social integration, educational institutions, environmental defence groups, consumer associations and local populations

3.2.1 Conditions of dialogue with these stakeholders

Reflecting its commitment to developing close relations with both customers and local populations, the Group maintains ongoing dialogue with stakeholders having an interest in the Company's activities. This dialogue is enhanced by concrete and diverse initiatives with individuals, associations, higher education institutions or concerned interest groups.

To strengthen ties with local stakeholders, it has developed working relationships and exchanges with higher education institutions offering training opportunities in our industry expertise areas. Other initiatives are pending implementation with several high-level partners present in the nearby region. Such alliances will no doubt be made possible in the future by the birth and development of projects.

For its 30th anniversary, Haulotte Group organised internal events with all staff (the 6 manufacturing plants of the Group and 20 sales and service subsidiaries) on 4 September 2015. This collective initiative set the stage for a celebration through different festivities organised in each entity, supported by interventions rebroadcast by Pierre et Alexandre Saubot.

This anniversary was also celebrated with many clients at trade shows at which Haulotte Group exhibits its products and services like Intermat (Paris – April 2014) Bices (Shanghai – September 2015), Conexpo Latin America (Santiago – October 2015), as well as through events organised by Haulotte, such as ExpoHaulotte (Mexico – November 2015).

To strengthen its commitment to developing a culture of customer proximity, Haulotte Group organises an "Open Up" event for its European customers and wishes to create a "Forward Thinking" club providing a forum for exploring the future of lifting activities.

The Group has also remained an active local stakeholder, becoming a partner of the 2017 Design Biennial to be held from 9 March to 9 April 2017 in Saint-Etienne (Loire). This partnership is also illustrated by the joint initiative with a designer focusing on the subject of the changing world of work.

Finally, in 2016 the Group participated in major industry trade shows such as Bauma in Munich or in Shanghai.

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3.2.2 Partnerships or corporate sponsorship initiatives

For example, actions may take the form of partnerships with higher education institutions located near Group structures, notably by welcoming trainees and work-study program participants, the payment of apprenticeship taxes, discovery days, special joint initiatives with labour organisations, but also the occupational healthcare authorities or the Direccte (regional enterprise, competition, consumer, work and employment authorities), employer groups or by supporting local social projects.

For 2015, reflecting the goals of the Gender Equality Agreement that was adopted, we plan to reinforce partnerships with schools preparing students for the Group's different business lines. The company on this basis intends to participate in roundtables, student fairs and present the company at certain schools.

There were no sponsorship actions in 2016.

3.3 Outsourcing and suppliers

3.3.1 The manner in which the company's purchasing policy takes into account social and environmental issue

Haulotte has implemented a sustainable development and continuing progress approach. Its suppliers are requested to participate, vis-à-vis their own environment and in response to the employment-related and social priorities of their own stakeholders.

3.3.2 The importance of outsourcing and manner in which relations with suppliers and subcontractors are taken into account in the company's social and environmental responsibility

The Group's industrial strategy is concentrated on three priority areas:

- Design and industrialization,
- Assembly,
- Quality assurance and regulatory compliance.

As it is not possible for the internal organization to master all technologies used for our machines, the weld-fabricated, electrical and hydraulic components and sub-assemblies are consequently outsourced to specialized suppliers possessing expertise in these technologies.

3.3.3 Fair practices

Measures to prevent corruption

The Group's business conduct charter stipulates that no employee may accept a gift or a gratuity from a client or supplier other than promotional items of negligible value. The Group also prohibits making any form of unlawful payment to a customer or supplier to obtain a contract or commercial advantage.

No member of the Group's personnel may invest, directly or indirectly, in the capital of a supplier or customer when there exists contracts relations between the company and this supplier or customer.

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Several internal audits have been performed, and are regularly carried out, to ensure the proper application of Group procedures and strict compliance with these guidelines.

In connection with legislative changes relating to the Law on transparency, the fight against corruption and modernisation of the economy (the "Sapin II" law), the Group has initiated a study to strengthen its measures for combating corruption.

3.3.4 Measures in favour of consumer health and safety

Throughout the process covering the design, manufacture and sale of products, the Group attaches considerable importance to the health and safety of consumers, and ensures continuing improvements in materials. This priority involves the certification of sites (ISO 14001 environmental certification), compliance with laws and regulations (in particular regarding safety, certification and conformity of machines), and continuous monitoring of incidents or accidents that might have involved the presence of a Group product.

3.3.5 Other actions undertaken, with respect to section 3.3 of this report, in favour of human rights

Recalling that the Group is committed to ensuring compliance with local laws and regulations, it should be noted that HR and safety policies applied throughout the Group also concern ensuring equal access to employment opportunities, non-discrimination, remuneration, occupational safety (both physical and psychological), fully taking into account the human dimension (physical and psychological), and respecting specific local conditions. These core values are promoted by the Group both in France but also in every country where it is present

PART 8 : GROUP MANAGEMENT REPORT

In accordance with the provisions of articles L.233-16 and L.225-100-2 of the French commercial code, we hereby report to you on the management of the Group for the period ended 31 December 2016.

1 - PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Companies included in the scope of consolidation are listed in paragraph 1 of section 3 of this report.

The situation of these companies is described in paragraph 1 of section 1.2 and in the table contained in paragraph 1 of section 3.4 of this report.

The Group's financial statements have been prepared in accordance with IFRSs as adopted by the European Union on 31 December 2016.

In fiscal 2016 the Group had revenue of €457.8 million, up from €445.3 million in 2015 or 3 % (4% at constant exchange rates). Excluding currency effects, revenue declined 20% in North America, 8% in Latin America and 2% in the Asia-Pacific region. Revenue in Europe grew 20%.

For the full year, all Group businesses registered growth. This was more modest for equipment sales and rental (+3 % and +2 % at constant exchange rates respectively) and more sustained for services (+11% at constant exchange rates) that reached historic highs.

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2 - CHANGES IN THE PRESENTATION OF THE ANNUAL ACCOUNTS OR METHODS OF VALUATION APPLIED IN PRIOR YEARS

No changes were made in the presentation of the consolidated financial statements or methods of valuation applied in prior years. Changes in accounting methods are presented in the summary of significant accounting policies in Note 3 to the consolidated financial statements.

3 - REVIEW OF OPERATIONS AND RESULTS OF THE GROUP FOR THE YEAR UNDER REVIEW

While most of its markets experienced renewed capital spending by equipment rental companies, Europe that accounts for more than half the Group's sales was the only region registering growth in 2016.

The main difficulties continue to concern the impossibility of anticipating for exchange volatility. Geopolitical factors can also adversely impact operating conditions of certain local markets as well as pressures on oil prices.

Bolstered by business momentum at the start of the year, mainly in Europe, Haulotte Group is expected to achieve revenue growth of more than 5% in 2017. This should allow it to return to a current operating margin approaching 7%, despite an unfavourable environment in trends for commodity prices.

4 - COMPREHENSIVE ANALYSIS OF REVENUE, EARNINGS AND FINANCIAL POSITION OF CONSOLIDATED OPERATIONS, AND NOTABLY DEBT WITH RESPECT TO THE VOLUME AND COMPLEXITY OF THEIR BUSINESS ACTIVITY

Group results for the period break down as follows:

In millions of euros	FY 2016	FY 2015
Revenue	457,8	445,3
Current operating income	26,5	34,90
Operating profit	25,4	33,60
Profit before tax	26,0	33,1
NET INCOME OF CONSOLIDATED COMPANIES	23,3	27,8
Net income attributable to the Group	23,3	27,8

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Current operating income for the Group amounted to €26.5 million, down from €34.9 million in 2015.

This result was due to several factors in 2016, with increased competitive pressure playing a major role.

In 2016, non-current items concerned mainly litigation costs (net of allowances and reversals for litigation contingencies) representing a charge of €1.1 million compared to €1.2 million in 2015.

Operating profit amounted to €25.4 million compared to €33.6 million the previous year.

At 31 December 2016, consolidated net income for the period was €23.3 million compared to €27.8 million in 2015.

Group net debt (including guarantees) increased in the period from €68.3 million at 31 December 2015 to €74.8 million at 31 December 2016. This debt is primarily carried by **HAULOTTE GROUP S.A.** with in particular the syndicated credit facility of the Group, of which €44.4 million had been drawn at 31 December 2015. New bilateral credit lines amounting to €5 million were negotiated in 2016. At 31 December 2016, the Group was in compliance with all its commitments with banks under the terms of its syndicated credit facility agreement.

5 - DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE COMPANY'S SUBSIDIARIES

The material risks and uncertainties that could have a material impact on the Group identified at 31 December 2016 relate on the one hand to market risk and the foreign exchange environment in which the Group operates and, on the other hand, items relating to its liquidity situation.

In 2016, the Group sales were up in Europe only, an increase that concerned all the Group's business lines. Sales volumes remain sensitive to uncertainties linked to the macroeconomic environment and in consequence evolving market conditions. The North American market showed signs slowing down throughout the year. The Asia-Pacific region was not able to offset the slowdown in the Middle East, impacted by the geopolitical conditions and pressure on oil prices. In addition, challenging market conditions were confirmed for Latin America.

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

Readers are reminded that on 30 September 2014 the Group negotiated a syndicated credit facility for €90 million maturing on 30 March 2018. This agreement was extended for an additional 18 month period or until 30 September 2019 and subject to a bullet payment on maturity.

On 31 December 2016, the Group was in compliance with all commitments with its banks in connection with the syndicated credit facility.

Based on the level of cash resources and credit lines open and available at 31 December 2016 compared with cash forecasts for the first few months of 2017, the Group's liquidity position appears sound. Other credit lines concern an amount for repayment totalling €4.4 million for 2017.

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6 - THE EXPOSURE OF SUBSIDIARIES TO RISK CONCERNING PRICE, CREDIT, LIQUIDITY AND CAPITAL RESOURCES

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

6.1 Credit risk

Credit risk originates mainly from an exposure to customer credit, and in particular unsettled receivables and transactions in progress.

To mitigate this risk, the Group has implemented credit rating procedures (internal or independent) to evaluate the quality of the credit situation of its customers (new or existing) based on their financial situation, historical payment data at any other relevant factors.

Credit risk is also limited by the fact that in the event of a payment default by customers, **HAULOTTE GROUP** retains the possibility of recovering the goods representing the receivables. Provisions for receivables are determined according to this principle (and described in the consolidated financial statements).

6.2 Liquidity risk

HAULOTTE GROUP cash management is centralised. The corporate team manages current and budgeted financing needs for the parent company and subsidiaries.

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

Status of the syndicated credit facility

As a reminder, a new syndicated credit facility was obtained on September 30, 2014. At 31 December 2016, the Group was in compliance with all ratios. This agreement was extended for an additional 18 month period or until 30 September 2019 and subject to a bullet payment on maturity.

Other financing

In the period, the Group continued to diversify its sources of financing, by obtaining new bilateral credit lines for a total amount of €5 million. Instalments for other credit lines (included in 2015 or previously) amount to €4.4 million in 2017.

Based on available cash, including cash held by the Group shown in its financial statements, plus the undrawn amounts of its syndicated credit lines and a certain number of undrawn bilateral overdraft facilities, there are no reasons that might call into question the Group's ability to meet its liquidity requirements for the year ahead.

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7 - INFORMATION ABOUT THE USE OF FINANCIAL INSTRUMENTS BY THE COMPANY WHEN THIS IS RELEVANT FOR THE MEASUREMENT OF ITS ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFITS OR LOSSES

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

7.1 Exchange rate risk

A significant portion of **HAULOTTE GROUP** sales is in currencies other than the euro, and in particular the US dollar and the British pound. Sales are primarily in the functional currency of the subsidiaries of the Group, and as such do not generate transactional foreign exchange risk at their level.

The primary source of foreign exchange risks for **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).

This exposure is managed by **HAULOTTE GROUP** SA. The transactional foreign exchange positions open in the balance sheet are partially hedged in the main currencies through simple financial instruments (forward exchange purchases and sales against the euro).

7.2 Interest rate

The Group uses in preference floating rate debt which provides greater flexibility. To hedge its interest rate risk, the Group seeks to take advantage of market opportunities based on interest rate trends. Interest rate risk is not systematically hedged.

For hedging market risks (interest rate and foreign exchange risks) **HAULOTTE GROUP** uses derivative instruments. These derivatives are destined to hedge the fair value of assets or liabilities recognised (fair value hedges) or future cash flows (cash flow hedges). However, to the extent that the financial instruments held by **HAULOTTE GROUP** do not strictly meet the criteria for hedge accounting, changes in their fair value are recognised in profit or loss.

In compliance with the provisions of IAS 32 and 39, derivatives are measured at fair value.

8 - FORESEEABLE CHANGES IN THE GROUP'S SITUATION AND OUTLOOK

Business trends at the start of 2017 are positive, particularly in Europe. On that basis, the Group has confirmed guidance for sales growth and an improvement in the operating margin, in a market environment that remains uncertain in certain regions where it operates, and with a rise in raw material prices expected.

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9 - SIGNIFICANT EVENTS BETWEEN THE CLOSING DATE AND THE DATE OF PUBLICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Please refer to paragraph 1 of section 1 of this report.

10 - RESEARCH AND DEVELOPMENT OF THE GROUP

Research and development have remained an important focus of Group efforts for several years. Innovation processes have been defined as one of the strategic processes of the Group.

The objective of this process is to propose new products or renew existing lines addressing the needs of its customers. Paragraph 10 of section 1 provides detailed information on the most important achievements of the period in this area. Research and development expenditures by the Group in the period amounted to €12,837,000.

PART 9 : PRESENTATION OF RESOLUTIONS PSUBMITTED TO THE GENERAL MEETING

Dear Shareholders,

We have called you to this ordinary and extraordinary general meeting to submit for your approval decisions falling under the authority of the ordinary and extraordinary general meetings respectively.

You are accordingly requested to vote on the following items of business:

- Reading of the Board of Directors' report, including the Group's management report, the report prepared in accordance with article L.225-37-2 of the French commercial code and the report of the Chairman of the Board of Directors.
- Reading of the Statutory Auditors' report.

Ordinary resolutions

- Approval of the parent company separate financial statements for the financial year ended 31 December 2016,
- Approval of the consolidated financial statements for the year ended 31 December 2016
- Grant of discharge to directors for the performance of their duties for the year ended,
- Appropriation of earnings for the financial year ended 31 December 2016,
- Statutory Auditors' report on the agreements covered by Articles L.225-86 et seq. of the French commercial code,
- Approval of the principles and criteria for setting, allocating and granting fixed, variable and exceptional compensation making up the total compensation and benefits of any kind attributable to the chief executive officer and the deputy chief executive officer.
- Authorisation to be given to the Board of Directors for the purchase by the Company of its own shares,
- Powers for formalities,

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Extraordinary resolutions

- Authorisation to be given to the Board of Directors to reduce the share capital by the cancellation of shares

- Resolutions 1 to 3 - Approval of the separate parent company financial statements and the consolidated financial statements for the period – Grant of discharge to the directors

In the first resolution we submit for your approval the parent company financial statements (balance sheet, income statement and notes) for the year ended 31 December 2016 as presented to you as well as the operations reflected in these accounts and showing a loss for the year of €2,976,666.82 and request in the third resolution that you grant full and unconditional discharge to the directors for the performance of their duties for the year ended.

In the second resolution we submit for your approval the consolidated financial statements (balance sheet, income statement and notes) for the period ended 31 December 2016 as presented to you as well as the transactions reflected therein.

- Resolution 4 - Proposal for the appropriation of net income (loss)

In the second resolution, we propose that you appropriate the full amount of the loss for the period amounting to €2,976,688.82 to "retained earnings", that would be reduced accordingly from €6,019,545.97 to €3,042,879.15.

We also propose the distribution of a total dividend of €6,901,680.28 or a dividend of €0.22 per share, to be paid for as follows:

- €3,402,879.15 from "retained earnings", which would be thus reduced from €3,042,879.15 to zero;
- €1,273,775.32 from "other reserves", which would be thus reduced from €1,273,775.32 to zero;
- €2,585,025.81 from "additional paid-in capital", which would be thus reduced from €94,305,148.92 to €91,720,123.11.

Total dividends would be payable as from the general meeting and in accordance with statutory deadlines, it being specified that treasury shares held by the Company do not carry dividend rights and, in the case where, at the time of payment, the company holds treasury shares, earnings corresponding to unpaid dividends on these shares will be allocated to the "retained earnings" account.

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

- Resolution 5 - Statutory Auditors' report on the agreements covered by Articles L.225-86 et seq. of the French commercial code commerce

The auditors' special report provides information on regulated agreements with related parties subject to the provisions of articles L.225-38 et seq. of the French commercial code entered into in previous periods and remaining in force in the period ended.

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We inform you that no agreement covered by articles L.225-38 et seq. of the French commercial code were entered into in the period ended 31 December 2016.

On that basis, in the fifth resolution, we ask you to duly note that no agreements covered by L.225-38 et seq. of the French commercial code were entered into in the period ended 31 December 2016 and to approve, as necessary, the terms of this report and the agreements referred to herein.

- Resolution 6 - Approval of the principles and criteria for setting, allocating and granting fixed, variable and exceptional compensation making up the total compensation and benefits of any kind attributable to the chairman-chief executive officer and the deputy chief executive officer

Under the sixth resolution, in accordance with article L.225-37-2 of the French commercial code, we ask you to approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the chairman-Chief Executive Officer and the deputy chief executive officer on the basis of their offices for 2017 and representing the compensation policy for these officers.

These principles and criteria submitted by the Company's Board of Directors are presented in the report provided for by the aforementioned articles and included in an appendix of the Company's annual financial report.

In accordance with article L.225-100 of the French commercial code, amounts resulting from the implementation of these principles and criteria will be submitted to your approval at the general meeting called for the purpose of approving the financial statements for the period ended 31 December 2017.

We hereby ask that you approve the principles and criteria as presented in this report.

- Resolution 7 - Authorisation to be given to the Board of Directors for the purchase by the Company of its own shares

With the existing authorisation granted by the general meeting of 24 May 2016 expiring on 24 November 2017, it is hereby proposed that the shareholders' general meeting grant the Board of Directors a new authorisation allowing the Company to deal in its own shares in accordance with the provisions of articles L.225-209 et seq. of the French commercial code. The shares may be acquired by any means and at any time, on one or more occasions, including during takeover bids, in compliance with applicable stock market regulations and accepted market practices as published by the AMF (Autorité des Marchés Financiers), the French financial market authority, on or off-market, and notably through block trades negotiated over-the-counter.

Acquisitions shall be made for the purpose of:

- ensuring the liquidity of the Company's shares through a liquidity agreement with an investment services provider, that complies with a code of conduct recognised by the French financial market regulator, the AMF (*Autorité des Marchés Financiers*);

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- meeting the obligations resulting from stock option programs or other share grants to employees or directors or executives of the Company or affiliated companies; or
- meeting the obligations arising from debt securities exchangeable into ownership interest; or
- holding the shares for subsequent remittance to be tendered in payment or exchange in connection with possible acquisitions, spinoffs or contributions in accordance with market practices admitted by the AMF; or
- cancelling all or part of the shares thus acquired, subject to adoption of the authorisation to the board to reduce the share capital by cancelling shares in connection with the authorisation to purchase own shares under the eighth resolution and consequently under the terms thus indicated.

This authorisation would be granted under the following conditions:

- the maximum unit price per share for the purchase of shares (excluding costs and commissions) would be set at €20 with a maximum aggregate amount of €62,742,548, it being specified that this purchase price may be adjusted, as applicable, to take into account, equity transactions (in particular in the case of the capitalisation of reserves or stock awards, stock splits or reverse splits) occurring over the period that this authorisation is valid.
- the maximum number of shares that may be purchased under this authorisation may not exceed, at any time, 10% of the share capital, as adjusted for corporate actions that could affect the share capital after this general meeting, it being specified that when these shares are acquired to enhance the liquidity of the Company's shares, the number of shares taken into account to calculate this limit will correspond to the number of shares purchased minus the number of shares sold over the duration of this authorisation,
- the number of shares retained by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution, may not exceed 5% of the share capital, as adjusted to take into account corporate actions that could affect the share capital after the date of this general meeting,
- all powers will be granted to the board of directors, which it may in turn delegate in accordance with applicable laws, for the purpose of placing all stock market orders, signing all purchase, sale or transfer agreements, concluding all agreements in order to register the purchase or sale of shares, proceed with filings with the *Autorité des Marchés Financiers*, and any other authorities that may replace it, fulfil all other formalities and in general, undertake all that is necessary to implement this authorization.

This authorisation is granted by the Board of Directors, that it may further delegate in accordance with the provisions of the law, for a period of 18 months, commencing on the date of the shareholders' general meeting.

This authorisation cancels the authorisation granted to the Board of Directors by the sixth resolution of the ordinary and extraordinary general meeting of 24 May 2016.

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- Resolution 8 - Authorisation to be given to the Board of Directors to reduce the share capital by the cancellation of shares in connection with the authorisation to purchase own shares

Subject to adoption of the authorisation provided for above under the seventh resolution, we request that you authorise your Board of Directors, in accordance with article L.225-209 of the French commercial code, to cancel on one or more occasions within the limit of 10% of the share capital per twenty-four month period, all or part of the shares of the Company acquired and to reduce the share capital by an equivalent amount, according to certain conditions. This limit will apply to an amount of capital that will be adjusted as applicable for corporate actions affecting the capital stock after this meeting.

The excess amount, as applicable, of the purchase price above the par value will be allocated to accounts for share, merger or contribution premium, or any revenue reserves, including the legal reserve, on condition that this reserve does not fall below less than 10% of the Company's share capital after the capital reduction.

We hereby ask you to grant all powers to your Board of Directors, which it may in turn delegate in accordance with applicable laws, for the purpose of performing all acts, formalities, representations to complete the capital reductions that may be carried out by virtue of this authorisation, and to modify the Company's articles of association in consequence..

This authorisation is granted by the Board of Directors, that it may further delegate in accordance with the provisions of the law, for a period of 18 months, commencing on the date of the shareholders' general meeting.

This authorisation will cancel and replace the authorisation granted by the general meeting of 24 May 2016 under the fourteenth resolution.

Your Statutory Auditors have prepared the reports required by law..

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APPENDIXES TO THE MANAGEMENT REPORT

1 - CROSS-REFERENCE TABLE (THE GRENELLE II ACT)

Article	Description	Paragraphs of part 7 of this report
1.	CORPORATE SOCIAL RESPONSIBILITY DISCLOSURES	
	Employment	1.1
	Total workforce and breakdown by gender, age and region	1.1.1
	Recruitment and layoffs	1.1.2
	Remuneration and compensation trends	1.2
	Remuneration within company:	1.2.1
	Statutory profit-sharing	1.2.2
	Profit-sharing payments in 2016	1.2.3
	Work organisation	1.3
	Working time organisation	1.3.1
	Absenteeism	1.3.2
	Labour relations	1.4
	The organisation of dialogue between employees and management, and notably procedures for providing information, consultation and negotiations with employees	1.4.1
	Report on collective agreements	1.4.2
	Health and safety	1.5
	Occupational health and safety conditions	1.5.1
	Report on agreements signed with trade unions or employee representatives concerning occupational health and safety	1.5.2
	Occupational accidents, including in particular frequency and severity rates, as well as occupational illnesses:	1.5.3
	Training	1.6
	Training policies implemented	1.6.1
	Total number of training hours – Training commitments	1.6.2
	Diversity and equal opportunities/Equal treatment	1.7
	The policy adopted and measures taken to promote gender equality	1.7.1
	The policy adopted and measures taken to promote integration of disabled persons	1.7.2
	The policy adopted and measures taken to prevent discrimination	1.7.3

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Promoting and respecting ILO core conventions on the freedom of association and protection of the right to organise and negotiate collective bargaining agreements, eliminating employment and occupational discrimination, abolishing forced labour and the effective abolition of child labour are respected. 1.7.4

2	ENVIRONMENTAL INFORMATION	
	General environmental policy	2.1
	The company's organisational structure to take into account environmental issues, and if need be, steps taken for environmental evaluation or certification	2.1.1
	Training and employee information actions relating to environmental protection	2.1.2
	Resources devoted to preventing environmental risks and pollution	2.1.3
	The amount of provisions and guarantees for environmental risks, subject to the condition that its disclosure would not constitute a serious prejudice to the company with respect to litigation in progress	2.1.4
	Pollution and waste management	2.2
	Measures to prevent, reduce or repair serious adverse effects on the environment from emissions into air, water and soil:	2.1.2
	Waste prevention, recycling and elimination measures	2.2.2
	The management of noise pollution and other forms of pollution specific to an activity	2.2.3
	Measures to combat food wastage	2.2.4
	Sustainable use of resources	2.3
	Water consumption and supply in relation to local constraints	2.3.1
	The consumption of raw materials and measures taken for improving efficiencies in their use	2.3.2
	Energy consumption, energy performance measures and use of renewable energies	2.3.3
	Soil use	2.3.4
	Climate change	2.4
	Greenhouse gas emissions	2.4.1
	Adapting to the consequences of climate change	2.4.2
	The circular economy	2.4.3
	Protection of biodiversity	2.5
	Measures to preserve or develop biodiversity	2.5.1

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3	SOCIAL INFORMATION	
	Territorial, economic and social impact of the company on employment and regional development, and on neighbouring or local populations	3.1
	Relations with stakeholders, including in particular associations promoting social integration, educational institutions, environmental defence groups, consumer associations and local populations	3.2
	Conditions of dialogue with these stakeholders	3.2.1
	Partnerships or corporate sponsorship initiatives	3.2.2
	Outsourcing and suppliers	3.3
	The manner in which the company's purchasing policy takes into account social and environmental issue	3.3.1
	The importance of outsourcing and manner in which relations with suppliers and subcontractors are taken into account in the company's social and environmental responsibility	3.3.2
	Fair practices	3.3.3
	Measures in favour of consumer health and safety	3.3.4
	Other actions undertaken, with respect to section 3.3 of this report, in favour of human rights	3.3.5

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2 - FIVE-YEAR FINANCIAL SUMMARY

Closing date	31/12/ 2016	30/12/ 2015	30/12/ 2014	30/12/ 2013	30/12/ 2012
Length of the fiscal year (months)	12	12	12	12	12
SHARE CAPITAL AT YEAR-END					
Common stock	4 078 266	4 063 765	4 057 837	4 057 837	4 057 837
Number of shares					
- ordinary shares	31 371 274	31 259 734	31 214 129	31 214 129	31 214 129
- treasury shares	1 812 230	1 814 303	1 837 823	1 837 823	1 837 823
- dividend-right shares	29 559 044	29 445 431	29 376 306	29 376 306	29 376 306
Maximum number of future shares to be created					
- from the conversion of bonds					
- from subscription rights					
OPERATIONS AND RESULTS					
Sales ex-VAT	215 588 260	232 272 603	216 876 915	172 218 956	164 262 857
Profit before income tax, profit-sharing depreciation and provisions	-3 993 457	13 371 335	6 706 352	-22 946 984	-13 818 444
Corporate income tax	-2 335 951	-466 047	658 279	-1 035 718	-861 848
Employee profit-sharing	1.5.1				
Allowances and Reversals of depreciation, amortisation and provisions, expense reclassifications	1 319 162	12 224 854	3 866 118	-23 952 467	9 601 242
Net income	-2 976 667	1 612 528	2 181 955	2 041 202	-22 557 838
Distributed profit		6 480 761	6 465 923	4 406 446	
EARNINGS PER SHARE					
Profit after income tax, profit-sharing, and before depreciation, amortisation and provisions	-0,05	0,44	0,19	-0,70	-0,42
Profit after income tax, profit-sharing, depreciation, amortisation and provisions	-0,09	0,05	0,07	0,07	-0,72
Distributed dividends		0,22	0,22	0,15	
PERSONNEL					
Average number of employees for the fiscal year	598	578	569	557	586
Total payroll	25 212 616	23 930 881	22 768 996	21 211 881	22 340 779
Total benefits paid (social security, welfare benefits, etc.)	12 005 087	11 389 629	10 788 551	9 793 129	9 564 167

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3 - SUMMARY OF AUTHORISATIONS AND DELEGATIONS OF POWER IN FORCE TO INCREASE THE CAPITAL

Nature of the delegation of authority or powers granted to the Board of Directors by the Company in accordance with article L.225-129-1 and L.225-129-2 of the French commercial code	AGE date	Length of validity Expiration	Nominal amount of capital increases authorised	Capital increase(s) carried out in the period	Residual amount on the date this table was produced
1. Delegation of powers granted to the Board of Directors to increase the share capital by means of issuing all securities giving present or future rights to a portion of the capital, maintaining the preferential subscription rights of shareholders;	24/05/2016 15 th resolution	26 mois 24/07/2018	<p>€406.376,54 for the capital increase by issuing all securities giving immediate or future access to a percentage of the share capital to be subscribed and paid for in cash or by set-off against certain, liquid and payable claims on the company with the exception of preferred shares or securities giving present or future rights to preferred shares.</p> <p>€406.376,54 for the capital increase through the capitalisation of reserves, earnings, issue premium or any other item that may be capitalised, by increasing the par value of existing shares or creating new bonus shares of the same class as existing shares, it being specified that this limit shall be added to the limit set forth aboveparagraphe précédent.</p>	None	<p>€406.376,54 for the capital increase by issuing all securities giving immediate or future access to a percentage of the share capital to be subscribed and paid for in cash or by set-off against certain, liquid and payable claims on the company with the exception of preferred shares or securities giving present or future rights to preferred shares</p> <p>€406.376,54 for the capital increase through the capitalisation of reserves, earnings, issue premium or any other item that may be capitalised, by increasing the par value of existing shares or creating new bonus shares of the same class as existing shares, it being specified that this limit shall be added to the limit set forth above.</p>

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2. Delegation of powers to be granted to the Board of Directors to increase the share capital through a public offer by issuing all securities giving present or future rights to a portion of the capital, without preferential subscription rights for existing shareholders	24/05/2016	26 months	€406.376,54 for the capital increase(s) that may result from the issue of the securities, without preferential subscription rights	None	€406.376,54 for the capital increase(s) that may result from the issue of these securities, without preferential subscription rights
	16 th resolution	24/07/2018	€406.376,54 for the issue of debt securities giving access to the share capital, The above may not exceed the unused portion of the total maximum amounts set by the fifteenth resolution.		€406.376,54 for the issue of debt securities giving access to the share capital, The above may not exceed the unused portion of the total maximum amounts set by the fifteenth resolution.
3. Delegation of powers granted to the Board of Directors to increase the share capital through a private placement within the meaning of article L.411.2 II of the French financial and monetary code by issuing all securities giving present or future rights to a portion of the share capital	24/05/2016	26 months	€406.376,54 for the capital increase(s) that may result from the issue of these securities, without preferential subscription rights,	None	€406.376,54 for the capital increase(s) that may result from the issue of these securities, without preferential subscription rights
	17 th resolution	24/07/2018	€406.376,54 for the issue of debt securities giving access to the share capital, The above may not exceed the unused portion of the total maximum amounts set by the fifteenth resolution.		€406.376,54 for the issue of debt securities giving access to the share capital, The above may not exceed the unused portion of the total maximum amounts set by the fifteenth resolution.
4. Authorisation to be granted to the Board of Directors to increase the number of shares to be issued under the authority granted under the above resolutions to meet excess demand;	24/05/2016	26 months	In accordance with the provisions of article L225-135-1 of the French commercial code, within limit of 15% of the initial issue and within the total maximum amount set by the fifteenth resolution (10% of the share capital or €406,376.54).	None	In accordance with the provisions of article L225-135-1 of the French commercial code, within limit of 15% of the initial issue and within the total maximum amount set by the fifteenth resolution (10% of the share capital or €406,376.54).
	18 th resolution	24/07/2018			

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5. Authority to be granted to the Board of Directors to set the issue price of securities issued cancelling the preferential subscription rights within the framework of the delegation of powers covered by the sixteenth and seventeenth resolution;	24/05/2016	26 months	In accordance with the provisions of article L.225-136 of the French commercial code and subject to the adoption of the sixteenth and seventeenth resolutions, within the limit of 10% of the share capital or €406,376.54, adjusted for corporate actions that may affect the capital after the general meeting's decision	None	In accordance with the provisions of article L.225-136 of the French commercial code and subject to the adoption of the sixteenth and seventeenth resolutions, within the limit of 10% of the share capital or €406,376.54, adjusted for corporate actions that may affect the capital after the general meeting's decision
	19 th resolution	24/07/2018			
6. Delegation of powers to be granted to the Board of Directors to increase the registered share capital as consideration for equity securities or other securities giving access to the share capital and tendered as consideration for contributions in kind to the company, within the limit of 10% of the share capital, in connection with public exchange offers	24/05/2016	26 months	In accordance with the provisions of article L.225-147, subsection 6, of the French commercial code, within the limit of 10% of the Company's share capital , adjusted for corporate actions that may affect the capital after the General Meeting's decision, In accordance with the provisions of article L.225-148 of the French commercial code, payment of securities tendered to the Company, within the framework of a public exchange offer initiated in France or another country by the Company for the securities of a company whose shares are admitted for trading on a regulated market as stipulated by said article, within the limit of the unused portion set in paragraph 2 of the sixteenth and seventeenth resolutions.	None	In accordance with the provisions of article L.225-147 of the French commercial code and within the limit of 10% of the share capital, adjusted for corporate actions that may affect the capital after the General Meeting's decision, In accordance with the provisions of article L.225-148 of the French commercial code, payment of securities tendered to the Company, within the framework of a public exchange offer initiated in France or another country by the Company for the securities of a company whose shares are admitted for trading on a regulated market as stipulated by said article. within the limit of the unused portion set in paragraph 2 of the sixteenth and seventeenth resolutions.
	20 th resolution	24/07/2018			

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7. Delegation of powers to be granted to the board of directors to increase the share capital of the company through the capitalisation of reserves, retained earnings and additional paid-in capital	24/05/2016	26 months	€6 022 312,25	None	€6 022 312,25
	22 nd resolution	24/07/2018	To which may be added, as necessary, an additional amount to preserve, in accordance with statute and regulations and, as necessary, applicable contractual provisions, the rights of holders of securities giving access to shares, whereby it is specified that this maximum amount is set independently and separately from the maximum amount set under the fifteenth resolution.		To which may be added, as necessary, an additional amount to preserve, in accordance with statute and regulations and, as necessary, applicable contractual provisions, the rights of holders of securities giving access to shares, whereby it is specified that this maximum amount is set independently and separately from the maximum amount

4 - REPORT DRAWN UP BY THE CHAIRMAN OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

Dear shareholders,

In accordance with provisions of article L. 225-37 of the French commercial code, I am pleased to report to you herein as Chairman of the Board of Directors on:

- The Board's composition and application of the principle with respect to the balanced representation of women and men;
- Preparation and organisation of the Board's work,
- Limitations on the powers of the Chief Executive Officer (*directeur général*) that may exist;
- The internal control and risk management procedures and in particular those relating to the preparation and processing of financial and accounting information.

Its purpose is also to present the following:

- In the event that the provisions of the Middlednext Code to which the Company refers would have been set aside, the reasons for this;
- The principles and rules for determining compensation and benefits of any kind granted to the corporate officers of the Company;
- Items that could have an impact in the event of a public offering (information required by article L.225-100-3 of the French commercial code) as well as the procedures relating to the participation of shareholders at the general meeting.

The terms of this report were approved by the Board of Directors on 14 March 2017.

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Corporate governance

The Company has decided to refer to the Middenext Code of December 2009 and revised in September 2016 as its reference for corporate governance in accordance with the provisions of article L.225-37 of the French commercial code. The Company considered that this code was best adapted to its size and shareholder structure.

This code can be consulted at the Middenext website (www.middenext.com).

At the meeting of 14 March 2017, in accordance with recommendation 19 of the Middenext Code, the Board reviewed the points to be watched defined therein.

Composition of the Board of Directors

The composition of the Company's Board of Directors includes the following six directors, including one independent director.

Last name, first name, title or function of the directors	Year of first appointment	Expiry of the term of office	Independent Director	Audit Committee
Pierre SAUBOT				
Chairman of the Board of Directors - Chief Executive Officer	1989	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2017	No	
Director	1985	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2017		
Alexandre SAUBOT				
Deputy Chief Executive	1999	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021	No	
Director	1999	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021		

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Elisa SAVARY

Director	1998	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021w	No	Member
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Hadrien SAUBOT

Director	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021	No	Member
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José MONFRONT

Director	2004	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021	No	Member
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Michel BOUTON

Director	2001	At the close of the general meeting of shareholders called to approve the financial statements for the year ending on 31 December 2021	Yes	Member
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Procedures for exercising executive management

It is noted for the record that the Company opted for combining the functions of Chairman of the Board of Directors and the executive management currently exercised by Mr. Pierre Saubot. It was considered that combining these two functions was more advantageous to the functioning of Haulotte Group.

Application of the principle in favour of a balanced representation of men and women

The Board of Directors includes one woman out of six members or 16.66% members of the Board..

Independent members of the Board of Directors

The notion of independent member adopted is that provided by Recommendation 3 of the Middlednext Code, and namely:

- they must not have been during the last five years an employee or executive officer of the company or a company in its group;

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- they must not have had any material business relationship with the company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be a reference shareholder of the company or hold a significant percentage of voting rights;
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

At the meeting up 14 March 2017, the Board of Directors re-examined the situation of its members with regards to these criteria of independence and on that basis considered that one of its members: Mr. Michel Bouton is independent in accordance with the definition given by the Middlednext Code.

This subject is currently being examined by the Board of Directors with the objective of identifying one or more profiles who might joined the Board as independent directors.

Terms of office

The term of office of members of the Board of Directors is set at six (6) years. This term was considered by the company to be in compliance with Recommendation 9 of the Middlednext Code. To date, Haulotte Group has not considered it useful to propose a modification to the articles of association providing for the staggered renewal of the terms of office of directors, in light of its size and membership.

Conduct of business rules

In accordance with Recommendation 1 of the Middlednext Code, each member of the Board of Directors is made aware of the obligations arising from his or her appointment and encouraged to adhere to the rules of conduct relating to his or her appointment. At the beginning of their term of office, each director signs the board's internal rules of procedure and undertakes notably to:

- comply with the provisions of statute relating to holding multiple offices
- comply with applicable regulations
- inform the Board in the event of conflict of interest arising after being appointed to the office
- demonstrating diligence in attending meetings of the board and the general meeting
- ensuring that they possess all necessary information for the agenda of the meetings of the Board before making any decision, and
- respecting professional confidentiality.

On the date of this report, the Chairman-CEO and the Deputy CEO have not accepted more than two offices as directors in listed companies, including foreign companies, outside the Group.

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Choice of members of the Board of Directors

When each member of the Board of Directors is appointed or reappointed, information about their experience, expertise and the list of offices exercised is provided in the report presented by the Board of Directors to the general meeting presenting the draft resolutions submitted for your approval. This information is also made available online on the Company's website. The appointment or renewal of each member of the Board of Directors is subject to a specific resolution, in accordance with Recommendation 8 of the Middledent Code.

Mission of the Board of Directors

We invite you to refer to article 2 of the Board of Directors' rules of procedure available on the Company's website for further details about the Board of Directors' missions.

Conditions of preparation and organisation of the Board of Directors' work

Meetings are conducted and decisions voted according to the conditions of quorum and majority provided for by statute and the Company's articles of association.

In accordance with Recommendation^o7 of the Middledent Code, the Board of Directors has internal rules of procedures divided into the eight areas covered by this recommendation and available for consultation at the Company's website.

The internal rules of procedures initially adopted by the Board of Directors on 11 March 2009, and subsequently modified by the Board on 9 March 2011 and 20 January 2017, notably provide that except for transactions covered by articles L. 232-1 and L. 233-16 of the French commercial code, and as applicable, by the Company's articles of association, directors who take part in a meeting of the Board through videoconferencing or electronic methods that allow their identification and effective participation are deemed present for determining the quorum and majority.

The means adopted must be capable of permitting the identification of participants and guaranteeing their effective participation.

- Procedures for calling meetings

Directors are called to meetings according to the procedures authorised by article 13 of the Company's articles of association.

In accordance with article L.823-17 of the French commercial code, the statutory auditors were called to the Board meetings that reviewed and adopted the interim and also the annual accounts.

- Procedures for remitting documents and information required to make decisions

Board members have received at the time of each meeting, all documents and information that is useful for making informed decisions and the performance of their duties

Report on the Board of Directors' activities in 2016

The minutes of each meeting are drawn up under the responsibility of the Chairman of the Board of Directors and the Deputy CEO. These minutes are recorded in the record after being signed by the Chairman and one member.

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During 2016, the Company's Board of Directors met three times on the dates indicated below.

Dates of Board of Directors' meetings	Number of directors present or represented	Rate of participation	Main subjects covered
8 March 2016	Directors: 3	Directors: 50%	<p>Review and approval of the separate parent company financial statements for the period ended 31 December 2015</p> <p>Proposed appropriation of earnings</p> <p>Review and approval of the consolidated financial statements for the period ended 31 December 2015 –</p> <p>Update on Group business activities</p> <p>Proposed renewal of directorships</p> <p>Proposed renewal of the office of the Deputy Chief Executive Officer, subject to the condition precedent of the renewal of his term of office as director.</p> <p>Review of the regulated agreements authorised in prior periods and remaining in force in accordance with provisions of article L. 225-40-1 of the French commercial code.</p> <p>Proposal to renew the term of a statutory auditor and appoint a new alternate auditor</p> <p>Modification of article 15 of the articles of association to raise the age limit for the chief executive officer to 80</p>

MANAGEMENT REPORT

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24 May 2016	Directors: 6	Directors: 100%	<p>Implementation of the authorisation to be granted by the general meeting of 24 May 2016 to deal in the Company's shares in accordance with the provisions of article L.225-209 of the French commercial code and articles 241-1 et seq. of the General Regulation of the AMF, the French financial market authority (Autorité des Marchés Financiers)</p> <p>Delegation of authority to be granted to the Chairman of the Board of Directors in accordance with article L.232-20 of the French commercial code for the purpose of recording the number of shares issued following applications received from shareholders having opted to dividends in the form of shares for fiscal 2015 and to make the necessary changes to the provisions of the articles of association relating to the share capital and the number of shares they represent.</p>
6 September 2016	Directors: 5	Directors: 83.33%	<p>Review and approval of the interim consolidated accounts established on 30 June 2016</p> <p>Preparation of the interim financial report in compliance with article L.451-1-2 III of the French monetary and financial code;</p> <p>Review of forward-planning documents in accordance with articles L.232-2, R.232-2 and R.232-3 of the French commercial code</p> <p>Miscellaneous items.</p>

MANAGEMENT REPORT

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Evaluating the Board's work and practices

In order to comply with Recommendation°11 of the Middenext Code, the Board is currently studying the adoption of a procedure for the self-assessment of the board's work and practices. At the Board of Directors' meeting of 14 March 2017, the Chairman submitted a first draft of the self-assessment questionnaire, the terms of which will be discussed by the Board at subsequent meetings.

Creation of committees

In accordance with Recommendation 6 of the Middenext Code we hereby report to you on the Company's choice with respect to special committees.

Audit Committee

On 9 March 2011 the Board of Directors decided to create an Audit Committee in accordance with article L.823-20 of the French commercial code for a limited period.

The functioning and the attributes of the Company's Audit Committee are described in article 6 of the Company's rules of procedures available for consultation on the Company's website.

Composition

On the date of this report, the Board of Directors, when it meets for the purpose of exercising the missions of Audit Committee, is comprised of the following members:

- Mr. Michel Bouton, independent director, audit committee chairman.
- Mr. José Monfront,
- Hadrien Saubot, and
- Ms. Elisa Savary.

Principles and rules for determining corporate officers' compensation

Detailed information about this compensation and its presentation is provided in paragraph 2 of part 2 of this annual financial report.

The coexistence of an employment contract with the offices of Chairman-CEO and Deputy Chief Executive Officer.

On the date of this report, the offices of Chairman and Deputy Chief Executive Officer are not exercised in conjunction with an employment contract.

Compensation of executive officers and non-executive officers within the Company

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

No stock options or stock purchase options have been awarded to them as officers nor have any bonus shares (restricted share units) than granted to them.

Corporate officers do not benefit from a special pension scheme.

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

Restrictions imposed by the Board of Directors on the powers of the Chief Executive Officer

The powers of the chairman and chief executive officer of the Company are not subject to any limits other than those imposed by law.

As such, he is vested with the broadest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly granted to shareholders' meetings and the Board of Directors. He represents the Company in its dealings with third parties.

Shareholders' participation in the shareholders' meetings

In accordance with article L. 225-37 of the French commercial code, article 16 of the Company's articles of association provides special procedures for the participation of shareholders in general meetings (copies of the articles of association are available at the Company's registered office and the registrar of the commercial court).

Items having a potential impact in the event of public offerings

In accordance with article L. 225-37 of the French commercial code, it is specified that items having a potential impact in the event of public offerings are presented and explained in accordance with the provisions of article L. 225-100-3 of the French commercial code in part 6 of this annual financial report.

Internal control and risk management procedures adopted by the Company

Objectives of the Company in the areas of internal control and risk management procedures

The purpose of the internal control procedures in force in the company is to:

- ensure that management and operating practices, and also employee behaviour, adhere to the framework defined by the guidelines given to the businesses of the company by the governing bodies, applicable laws and regulations, and the values, standards and internal rules of the company.
- ensure that the accounting, financial and management information provided to the Company's governing bodies provides a fair presentation of the operations and situation of the Company and its subsidiaries.

One of the objectives of internal control is to prevent and manage the risks resulting from the business operations of the company and its subsidiaries and the risk of error or fraud, in particular in the accounting and financial areas (operating, financial, compliance or other risks).

As with any control system, it is not possible to provide an absolute guarantee that these risks have been completely eliminated.

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Summary of procedures in place

a) General organisation for the internal control and risk management procedures at the Company level

Each department at the headquarters and in the subsidiaries is responsible for implementing and monitoring internal control procedures.

These internal control procedures are placed under the responsibility of the Group's Finance Department and Secretariat General who draws up the procedures, promotes their application and ensures their consistency and proper functioning. A core body of written internal procedures is available for consultation on the Company's intranet.

Accordingly, the different participants in the internal control process within the Company include:

- The Finance Department (with the Financial Control, Credit Management and Internal Audit departments);
- the Secretariat General with the legal department and the human resources department and the IT department);
- the Industrial Division (with the quality department).

In addition to the existing procedures, at the end of 2016, a Group internal audit manager, reporting to the finance Department, was appointed. Certain internal audit missions will accordingly be assigned to this manager.

b) Presentation of summarised internal control and risk management procedures adopted by the Company

- The finance department:

- Internal audit

After completing a risk mapping initiative, the Group's executive committee created an internal audit department tasked with the following missions:

- reducing business-related risks,
- implementing procedures for reporting incidents recorded to Management,
- raising awareness of Haulotte entities and departments about the importance of respecting procedures,
- obtaining action plans from entities audited to comply with procedures,
- ensuring the implementation of the action plans proposed by the audited entities and the achievement of the expected outcome,
- improving and adapting procedures by taking into account observations made during audit assignments.

MANAGEMENT REPORT

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- The Financial Control department includes two units:

- an industrial financial control unit represented at each production site and for R&D, purchasing and quality functions by a dedicated team at the headquarters;
- a management control unit for the distribution subsidiaries, spearheaded from the headquarters and represented by a local financial controller in the main subsidiaries, ensuring financial oversight for the Group's different distribution and service subsidiaries. In addition, the regional financial controller is the intermediary between the Group and the controller for each subsidiary of his region. A financial control unit for the support and equipment rental business functions.

These teams contribute to implementing internal control procedures by:

- ensuring the security of assets, notably through inventory procedures,
- ensuring and assisting in the dissemination of the Group's accounting and management rules,
- ensuring that expenditures are incurred in accordance with the budget defined at the beginning of each period and within the framework of the rules for incurring expenses and delegations of authority defined by the Group.

- The Cash Management department which manages the following areas:

- cash management
- credit management.

For cash, this department is responsible for managing relations with banks and bank balancing transactions, managing multi-currency cash positions, managing interest rate risk, optimising cash flows and monitoring the cash budget.

For credit management, the department:

- ensures that the principles defined for managing customer credit risk are correctly applied and controls the exposure of the Group's main customers. To this purpose, it monitors the evolution of accounts receivable for all subsidiaries, controls the levels of outstanding balances and reconciles the cash budget with outstanding trade receivables of subsidiaries,
- organises the collection, monitors outstanding financing amounts and consolidates all Group financial commitments.

- The Consolidation and Reporting department is responsible for producing the consolidated annual and interim financial accounts as well as monthly reporting.

This department assists the local financial managers with the reporting procedures and visits subsidiaries to ensure they are correctly applied.

- The Group Accounting department is responsible for the accounting for Haulotte Group SA. It is also responsible for coordinating and managing the tax policy at Group level.

- The finance department draws up **written procedures** covering the main subjects and financial flows within the Group. These procedures are disseminated to all financial contacts of the headquarters and subsidiaries and updated on a regular basis.

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- The Secretariat General:

- the Group Legal department

- The legal department continues to participate in "Safety Committees" meetings held on a regular basis (every two months, and more if required). These meetings bring together all parties concerned by the efficient management of technical and legal monitoring of incidents and accidents known to the Group and in which, the presence of one of our products was noted.
- The legal department participates in "intellectual property committee" meetings also attended by the industrial division, the secretariat general, the marketing department and the intellectual property manager of the Group. These periodic meetings provide a mechanism for monitoring filings and intellectual property disputes for the entire Group. They also serve as a means to notify different participants of the existence of prior rights,
- In addition, the legal department continues to organise periodic training initiatives to raise awareness among teams about legal issues (commercial relations, contractual obligations, intellectual property, etc.).
- Several internal communications actions are implemented by the legal department, in collaboration with the financial, communications and IT department teams, in order to inform and alert staff about the risks of and the measures to combat social engineering fraud. Through these measures of vigilance, several fraud attempts were prevented.
- The legal department collaborates with all departments concerned with legal matters and provides its support to the Internal Audit department.

- **the Human Resources department** with a corporate department and correspondents at each manufacturing site:

- the Security charter seeking to improve the safety of employees in their day-to-day activities, introduced in France was then expanded to other countries where the Group operates, in order to strengthen controls in this area. With this objective, the "Safety Challenges" were renewed.
- The Recruitment procedure in place continues to be applied.
- This department ensures the promotion of the Management Group Procedure, a set of essential Group rules in HR, Finance, Legal Affairs and Insurance areas.
- In the area of risk management, country and people review procedures have been implemented.

The purpose of these reviews is to promote exchanges between teams of the headquarters and subsidiaries as well as the production sites and also to provide insight on employee morale and relations between employees and management.

- The purpose of the country review is to provide a presentation of each subsidiary covering namely their organisation, operating procedures and key performance indicators for different departments.
- The "people review" provides an opportunity for carrying out a review by means of exchanges with +1 and +2 reporting levels with the Human Resources departments for each of their staff.

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- To benefit from an even more comprehensive view of available resources, the HR department uses a forward-looking employment and skills management tool covering all Group employees. The first step entailing its deployment in France was carried out in 2017 with international deployment planned for in the English speaking sites in 2017.

- The Digital & Information Department (DID)

- The DID has reinforced its control over the harmonisation and standardisation of business processes (notably through its ERP M3) and computer equipment by adopting a core functional model and Haulotte technological standards in areas such as office automation and infrastructure. The DID continues to promote this harmonisation policy in order to reinforce consistency in the security of its information system.
- In addition, the DID has adopted security policies designed to protect access to systems and limit access to persons identified by name and secure printing processes and the exchange of information.
- The DID also participates in the working group for combating fraud and scamming (management of fraudulent emails, etc.).

- The internal audit department (see b)

- The industrial division:

- **The Quality function** of the Group includes a Chief Quality Officer, a corporate quality manager, three quality project managers and a quality and environment system coordinator.

Each industrial division (production site) has its own quality department coordinated by the quality manager of the site (division) with several functions represented : customer quality (aftermarket service), product quality assurance, the quality process for painting and assembling, suppliers and an environmental coordinator.

The quality department has reinforced the "customer satisfaction" approach through:

- the deployment and standardisation of the process approach within the company;
- implementation of a continuous improvement approach through projects relating to enhancing reliability and ageing equipment.
- tools for eliminating risks at the level of all projects to improve the reliability of our manufactured products.
- the deployment and standardisation of the process approach within the company;
- implementation of a continuous improvement approach through projects relating to enhancing - tools for eliminating risks at the level of all projects to improve the reliability of our manufactured products.

A "Quality Function Cost Deployment" procedure for monitoring and approving suppliers.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2016

b) Risks associated with producing financial and accounting information

The Consolidation department is responsible for producing the interim and annual consolidated financial statements, under the oversight of the Group Finance Department and Executive Management.

This Department ensures the quality of the monthly accounting closings for the different Group companies, managed, according to the case, by local accounting departments or chartered accountants for small size subsidiaries, and their restatement according to applicable IFRSs.

The consistent application of Group accounting principles is ensured by the Consolidation department that is responsible for monitoring changes in standards.

The most important accounting principles, and namely those which may have a material impact on the Group's accounts, are documented and distributed to all subsidiaries. These concern standards for recognising financing transactions, revenue recognition, the impairment or non-collection of trade receivables, provisions for inventories, rules for the depreciation and amortisation of fixed assets.

In accordance with local regulations, financial and accounting information is verified by local auditors. The Group's joint-auditors review the consolidated financial statements with the assistance of local auditors or undertake their own audit assignments if necessary.

In the last phase, financial and accounting information is approved by the Board of Directors for the first six-month period and annually, after being presented to the Board of Directors convened in the capacity of Audit Committee.

The Board of Directors also fulfils the functions of the Audit Committee. It ensures the efficacy of the internal control and risk management systems for financial areas, in addition to monitoring the process for producing financial information. It reports on its mission to the Board of Directors.

The entire process for producing and processing financial and accounting information described above contributes to managing and limiting risks in this area.

MANAGEMENT REPORT

ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED 31 DECEMBER 2016

5 - REPORT DRAWN UP BY BOARD OF DIRECTORS IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE

On 14 March 2017, the Board of Directors, noting that no compensation or benefits in kind within the meaning of article R.225-29-1 of the French commercial code had been paid by the Company to the Chairman-CEO and the Deputy Chief Executive Officer on the basis of their offices within the Company, accordingly decided that it was not necessary to rule on the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the latter on the basis of their offices for the period ending on 31 December 2017.

In accordance with article L.225-100 of the French commercial code, the general meeting called for the purpose of approving the financial statements for the period ending 31 December 2017, must vote on the absence of compensation paid to the Chairman-CEO and the Deputy Chief Executive Officer of the company for the said period.

14 March 2017

The Board of Directors

STATUTORY AUDITORS' REPORT,
**PREPARED IN ACCORDANCE WITH ARTICLE L.225-235
 OF THE FRENCH COMMERCIAL CODE ON THE REPORT
 PREPARED BY THE CHAIRMAN OF THE BOARD
 OF DIRECTORS OF HAULOTTE GROUP SA**
(FOR THE YEAR ENDED 31 DECEMBER 2016)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit

20 rue Garibaldi
 69451 Lyon cedex 06

BM&A

11, rue de Laborde
 75008 Paris

Haulotte Group SA

La Péronnière
 BP9
 42152 L'Horme

To the Shareholders,

In our capacity as Statutory Auditors of Haulotte Group SA, and in accordance with article L.225 235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-37 of the French Commercial Code for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;

STATUTORY AUDITORS' REPORT,
**PREPARED IN ACCORDANCE WITH ARTICLE L.225-235
 OF THE FRENCH COMMERCIAL CODE ON THE REPORT
 PREPARED BY THE CHAIRMAN OF THE BOARD
 OF DIRECTORS OF HAULOTTE GROUP SA**
(FOR THE YEAR ENDED 31 DECEMBER 2016)

- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by article L.225-37 of the French Commercial Code.

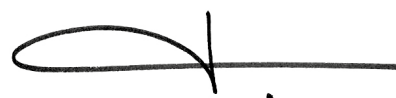
Lyon, April 2017, the 21st
 The statutory auditors

PricewaterhouseCoopers Audit



Natacha Péllisson

BM&A



Alexis Thura