Consolidated 13

financial statements

Haulotte
GROUP
More than lifting

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

> CONSOLIDATED BALANCE SHEET - ASSETS

In thousands of euros

	Note	31/12/2013	31/12/2012
Goodwill	9	15 133	20 079
Intangible assets	10	9 128	8 524
Property, plant and equipment	11	54 561	86 887
Financial assets	12	2 200	1 998
Deferred tax assets	28	15 788	18 494
Trade receivables from financing activities exceeding one year	14	10 604	11 142
Other non current assets	15	-	-
NON CURRENT ASSETS (A)		**107 414**	**147 124**
Inventory	13	90 592	105 825
Trade receivables	14	66 734	84 859
Trade receivables from financing activities due in less than one year	14	5 571	5 947
Other assets	15	15 493	11 329
Cash and cash equivalents	19	18 548	16 558
Financial derivative instruments	20	1 945	1 102
CURRENT ASSETS (B)		**198 883**	**225 620**
TOTAL ASSETS (A+B)		**306 297**	**372 744**

Notes 1 to 50 constitute an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

> CONSOLIDATED BALANCE SHEET - LIABILITIES

In thousands of euros

	Note	31/12/2013	31/12/2012
Share capital	21	4 058	4 058
Share premiums	21	92 043	92 043
Consolidated reserves and income		76 162	77 221
SHAREHOLDERS'EQUITY BEFORE MINORITY INTERESTS (A)		**172 263**	**173 322**
Minority interests (B)		(441)	(421)
Total Equity		**171 822**	**172 901**
Long-term borrowings	22	25 275	10 084
Deferred tax liabilities	28	8 131	10 886
Provisions	24	3 267	2 916
NON-CURRENT LIABILITIES (C)		**36 673**	**23 886**
Trade payables	26	32 200	34 519
Other current liabilities	27	21 486	24 147
Current borrowings	22	34 842	108 688
Provisions	24	8 801	7 629
Financial derivative instruments	20	473	974
CURRENT LIABILITIES (D)		**97 802**	**175 957**
LIABILITIES AND SHAREHOLDERS'EQUITY (A+B+C+D)		**306 297**	**372 744**

Notes 1 to 50 constitute an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

> CONSOLIDATED INCOME STATEMENT

In thousands of euros

	Note	31/12/2013		31/12/2012	
CONTINUING OPERATIONS					
Sales and revenue	30	342 735	100%	331 881	100,0%
Cost of sales	31	(254 346)	-74,2%	(248 414)	-74,9%
Selling expenses		(23 654)	-6,9%	(24 013)	-7,2%
General and administrative expenses	32	(40 984)	-12,0%	(44 309)	-13,4%
Research and development expenditures	33	(5 868)	-1,7%	(4 248)	-1,3%
Exchange gains and losses	34	(4 785)	-1,4%	(4 926)	-1,5%
CURRENT OPERATING INCOME		**13 098**	**3,8%**	**5 971**	**1,8%**
Other operating income and expenses	37	(2 071)	-0,6%	(5 959)	-1,8%
OPERATING INCOME FOR CONTINUING OPERATIONS		**11 027**	**3,2%**	**12**	**0,0%**
Cost of net financial debt	38	(2 199)	-0,6%	(5 660)	-1,7%
Other financial income and expenses		56		46	
INCOME BEFORE TAXES FOR CONTINUING OPERATIONS		**8 884**	**2,6%**	**(5 602)**	**-1,7%**
Income tax	39	(7 804)	-2,3%	(1 096)	-0,3%
NET INCOME FOR CONTINUING OPERATIONS		**1 080**	**0,3%**	**(6 698)**	**-2,0%**
DISCONTINUED OPERATIONS					
NET INCOME FOR DISCONTINUED OPERATIONS	29	**8 010**		**(766)**	
NET INCOME		**9 090**		**(7 464)**	
attributable to equity holders of the parent		9 095		(7 169)	
attributable to minority interests		(5)		(295)	
Net earnings per share	41	**0,31**		**(0,24)**	
Net diluted earnings per share	41	**0,31**		**(0,24)**	

Notes 1 to 50 constitute an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2013

> CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros

	Note	31/12/2013	31/12/2012
Profit / (loss) for the year		9 090	(7 464)
Items that may be subsequently reclassified to profit and loss			
Currency translation differences for cash items relating to net investments in foreign operations		(12 088)	(224)
Currency translation differences from financial statements of subsidiaries		(245)	146
Items that will not be reclassified to profit and loss			
Actuarial gains and losses on employee benefits	25	(143)	(675)
Income tax	28	3 647	309
Net income / (expense) recognised directly in equity		**(8 829)**	**(444)**
Total consolidated comprehensive income		**261**	**(7 908)**
attributable to equity holders of the parent		281	(7 606)
attributable to minority interest		(20)	(302)

Notes 1 to 50 constitute an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

> CONSOLIDATED CASH FLOW STATEMENT

In thousand of euros	Note	31/12/2013	31/12/2012
Net income for continuing and discontinued operations		**1 080**	**(6 698)**
Depreciation and amortisation		15 224	11 066
Change in provisions (except for current assets)		1 238	(2 503)
Change in financial derivative instruments fair value		(1 343)	(1 854)
Unrealised foreign exchange gains and losses		3 475	3 295
Change in deferred taxes		3 973	(2 544)
Gains and losses from disposals of fixed assets		(2 115)	(640)
Other movement			90
GROSS CASH FLOWS FROM CONTINUING OPERATIONS		**21 532**	**212**
Change in operating working capital	31	11 110	16 798
Change in receivables from financing activities	32	(578)	729
Change in other non current assets			26 059
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS		32 064	43 798
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	31	3 121	6 157
CASH FLOWS FROM OPERATING ACTIVITIES		**35 185**	**49 955**
Purchases of fixed assets		(9 999)	(13 084)
Proceeds from the sales of fixed assets, net of tax		4 675	3 758
Impact of changes in scope of consolidation			
Change in payables on fixed assets		(20)	(16)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS		(5 344)	(9 342)
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS		30 572	(5 912)
CASH FLOWS FROM INVESTING ACTIVITIES		**25 228**	**(15 254)**
Loans issues		1 299	14 647
Borrowings repayments		(55 934)	(46 685)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS		(54 635)	(32 038)
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS		(288)	(50)
CASH FLOWS FROM FINANCING ACTIVITIES		**(54 923)**	**(32 088)**
NET CHANGE IN CASH AND CASH EQUIVALENT		**5 490**	**2 613**
Opening cash and cash equivalents	33	14 145	11 067
Effect of exchange rate changes on continuing activities cash		(1 328)	(235)
Effect of exchange rate changes on discontinued activities cash		(44)	22
Reclassification of BilJax's revolving credit line		-	678
Reclassification of closing cash and cash equivalent for discontinued operations		-	1 205
Closing cash and cash equivalents	33	18 263	12 940
NET CHANGE IN CASH AND CASH EQUIVALENT		**5 490**	**2 613**

Notes 1 to 50 constitute an integral part of these consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

> STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Share premiums	Consolidated reserves **	Profit for the period	Treasury shares	Translation differences	Actuarial gains and losses on employee benefits	Group share	Minority Interests	Total
Balance at 1 January 2012	**4 058**	**92 042**	**161 465**	**(8 713)**	**(55 655)**	**(12 279)**	**(12)**	**180 906**	**(183)**	**180 723**
Change in capital of the parent company								-		-
Appropriation of 2011 net income			(8 713)	8 713				-		-
Dividends paid by the parent company								-		-
Net income for the period				*(7 169)*				*(7 169)*	*(295)*	*(7 464)*
Net income / (expense) recognised directly in equity						*6*	*(443)*	*(437)*	*(7)*	*(444)*
Total consolidated comprehensive income	-	-	-	(7 169)	-	6	(443)	(7 606)	(302)	(7 908)
Other changes			22					22	64	86
Balance at 31 December 2012	**4 058**	**92 042**	**152 774**	**(7 169)**	**(55 655)**	**(12 273)**	**(455)**	**173 322**	**(421)**	**172 901**
Change in capital of the parent company								-		-
Appropriation of 2012 net income			(7 169)	7 169				-		-
Dividends paid by the parent company								-		-
Net income for the period				*9 095*				*9 095*	*(5)*	*9 090*
Net income / (expense) recognised directly in equity						*(8 720)*	*(94)*	*(8 814)*	*(15)*	*(8 829)*
Total consolidated comprehensive income	-	-	-	9 095	-	(8 720)	(94)	281	(20)	261
Other changes			(1 340)					(1 340)		(1 340)
Balance at 31 December 2013	**4 058**	**92 042**	**144 265**	**9 095**	**(55 655)**	**(20 993)**	**(549)**	**172 263**	**(441)**	**171 822**

** Consolidated reserves primarily consist of retained earnings.

Notes 1 to 50 constitute an integral part of these consolidated financial statements

> NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

NOTE 1 - GENERAL INFORMATIONS

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

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

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

The annual consolidated financial statements for the period ended 31 December 2013 and the notes thereto were approved by the Board of Directors of Haulotte Group SA on 11 March 2014. Figures are expressed as thousands of euros.

NOTE 2 - MAJOR EVENTS OF THE FISCAL YEAR

2.1 Renegotiation of the syndicated credit facility

In the first half of 2013, Haulotte Group received a formal agreement from the banks concerning the following points relating to its syndicated credit facility:

- Lifting of the event of default status resulting from the breach of the ratio recognized at 31 December 2012

- Prepayment on 28 June 2013 of the instalment scheduled for July 2013 by the credit facility

- Review of the level of one of the ratios for the closing on 30 June 2013.

On 30 June 2013 and 31 December 2013 the ratios were respected. On that basis, all bank debt was reclassified according to the contractual maturity dates. Detailed disclosures on these items are provided in note 22.

2.2 Disposal of the UK rental business

On 28 June 2013, the Group sold its subsidiaries UK Platforms Ltd. et Access Rentals (UK) Ltd. that were representing the whole rental business in UK.

This disposal of subsidiaries was considered as a discontinued operation as defined in IFRS 5, the rental business in UK being a major line of business given its contribution to consolidated financial statements, and the fact that this activity represented a cash generating unit.

In compliance with IFRS 5, elements of the income statement and of the cash flow statement relating to this activity were identified separately as discontinued operations in the corresponding schedules. The detail of the amounts separated is disclosed in notes 29 and 43.

The profit recorded on this operation amounts to € 8 600 thousand.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2013

3.1 Statements of compliance

As a publicly traded company listed in the European Union and in accordance with EC regulation 1606/2002 of 19 July 2002, the Group's consolidated financial statements for fiscal year ended 31 December 2012 have been prepared according to IFRS (International Financial Reporting Standards) as adopted by the European Union on 31 December 2013.

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

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

Amendments and interpretations of standards in issue taking effect in 2013

The Group had adopted in advance on 31 December 2012 the Revised IAS 19 – Post-employment benefits.

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013 :

Standard or interpretation	Nature of change expected on accounting principles and methods	Impact of Haulotte Group's first-time application
IAS 1, Presentation the financial statements: Amendments - Presentation of other comprehensive income (06/11)	New terminology for the income statement and the statement of comprehensive income, separating other comprehensive income items into two categories: a) items that will not be subsequently reclassified under net income and b) items that may subsequently be reclassified under net income when certain conditions are met.	Presentation and naming of the income statement and the statement of comprehensive income were changed to reflect the new standard
IAS 1, Presentation the financial statements: Amendments (05/12)* Comparative information	IAS 1 requires that an entity that changes its accounting methods on a retrospective basis or proceeds with retrospective restatements or reclassifications presents a statement of financial position established at the beginning of the previous period (third statement of financial position).	The Group will apply this principle and present a third statement of financial position in the case of a retrospective change in accounting method or restatement. There is no such treatment in 31 December 2013 financial statements.

Standard or interpretation		Impact of Haulotte Group's first-time application
IAS 12 Deferred taxes - recovery of underlying assets (12/10) with the corresponding cancellation of SIC 21 Recovery of revalued non-depreciable assets.	According to the modifications, the carrying value of investment properties measured according to the fair value model in compliance with IAS 40, Investment properties, is considered to be fully recovered by sale for the purpose of measuring deferred taxes unless this assumption is refuted.	No impact for Haulotte Group
IAS 16 - Property, plant and equipment: Amendment(05/12)* Classification of servicing equipment	Modifications specify that spare parts, stand-by equipment and servicing equipment be recognised in accordance with IAS 16 if they meet the definition of property, plant and equipment. Otherwise, they are to be classified under inventory.	No material impact for Haulotte Group
IAS 32 - Financial instruments: presentation (05/12)*: Taxes on distributions to holders of equity and costs of an equity transaction	Modifications specify that taxes on income related to distributions to holders of equity and the cost of an equity transaction shall be recognised in accordance with IAS 12, Income taxes.	No impact for Haulotte Group
IFRS 1 - Severe hyperinflation and removal of fixed dates for first-time adopters (12/10)	The First Amendment replaces reference to the fixed date of «1 January 2004» by «IFRS transition date», thus eliminating the requirement for first-time adopters to restate certain information prior to the transition date. The second amendment indicates how an entity manages the presentation of IFRS financial statements after a period in which the company was no longer able to do so because its functional currency was subject to severe hyperinflation.	No impact for Haulotte Group
IAS 36 Amendment Recoverable amount disclosures for non-financial assets	The objective of this amendment is to clarify the scope of application of certain disclosures on the recoverable value of non-financial assets.	No impact for Haulotte Group

Standard or interpretation	Nature of change expected on accounting principles and methods	Impact of Haulotte Group's first-time application
IAS 39 Amendment Novation of derivatives and hedge accounting	These amendments provides relief from discontinuing hedge accounting after novation of a derivative instruments, that was qualified as a hedging instrument, to a central counter party as a consequence of legal or regulatory rules.	No impact for Haulotte Group
IFRS 1 - First-time adoption of IFRS : Amendments - Government loans (03/12); Amendments (05/12) - Repeated application of IFRS 1 - Application of IAS 23 - Borrowing costs, on the transition date or a prior date.	These amendments provide precisions on the recognition of government loans in particular, and other items within the framework of a first-time adoption of IFRS.	No impact for Haulotte Group
IFRS 7 Offsetting financial assets and liabilities (12/11)	IFRS 7 modifications require that entities disclose information on enforceable master netting agreements or similar arrangements (such as guarantee agreements) for financial instruments hedged under such agreements or arrangements.	No impact for Haulotte Group
IFRS 13 - Fair value measurement (05/11)	IFRS 13 brings together in one standard a single, unified guidance for the definition of fair value and the related disclosures requirements. This standard notably defines fair value, establishes a framework for its measurement and describes the disclosures required on fair value measurement. Its scope of application is broad. IFRS 13 applies both to financial instruments and non-financial items for which other IFRSs require or permit fair value measurements and related disclosures, except under specific circumstances. In general, IFRS 13 requires more detailed information than is required by current standards.	This new standard resulted in a more detailed presentation of information in these financial statements.
IFRIC 20 - Stripping costs in the production phase of a surface mine (10/11)	This standard applies to the waste removal costs of a surface mine incurred during the mine's operating phase.	No impact for Haulotte Group

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

New standards, amendments or interpretations applicable in advance

The Group does not anticipate or plan to apply other new standards or interpretations adopted by the European Union at the closing date applicable only for periods opened on or after 1 January 2013 as listed below :

Standard or interpretation	Nature of change expected on accounting principles and methods	Date on which application of the standard or interpretation becomes mandatory	Estimated impact of Haulotte Group's first-time application
Amended IAS 27 - Individual financial statements (05/11)	This standard establishes the principles for preparing individual financial statements.	Fiscal year ended 31 December 2014	No impact expected for Haulotte Group
Amended IAS 28 - Investments in associates and joint ventures (05/11)	This revised standard sets forth the principles for recognising associates and joint ventures that must be accounted for under the equity method in accordance with IFRS 11 (see below).	Fiscal year ended 31 December 2014	No impact expected for Haulotte Group
IAS 32 Offsetting financial assets and liabilities (12/11)	Changes for this standard provide details for the application of provisions for offsetting financial assets and liabilities. In particular, its provisions specify the meaning of the terms "currently having a legally enforceable right of set-off," and «simultaneous realisation and settlement».	Fiscal year ended 31 December 2014	No impact expected for Haulotte Group
IFRS 10 - Consolidated financial statements (05/11)	This standard establishes the principle whereby control is the basis for consolidation. Furthermore, IFRS 10 includes a new definition of control that includes three criteria: a) power over the investee, b) exposure or rights to variable returns from its involvement with the investee, c) the ability of the investor to use its power over the investee to affect the amount of the investor's returns. Exhaustive information has been added to IFRS 10 for the handling of complex cases.	Fiscal year ended 31 December 2014	No impact expected for Haulotte Group
IFRS 11 - Joint arrangements (05/11)	The standard covers the classification of a joint arrangements in which two parties or more exercise joint control. Under its provisions, joint-arrangements must be recognised using the equity method.	Fiscal year ended 31 December 2014	No impact expected for Haulotte Group

Standard or interpretation	Nature of change expected on accounting principles and methods	Date on which application of the standard or interpretation becomes mandatory	Estimated impact of Haulotte Group's first-time application
IFRS 12 - Disclosure of interests in other entities (05/11)	This standard concerns required disclosures and applies to entities with interest in joint arrangements, associates or unconsolidated structured entities. In general, IFRS 12 requires more detailed information than is required by current standards.	Fiscal year ended 31 December 2014	Analysis of potential impacts on the Group's financial statements is in progress.
Amendments IFRS 10, IFRS 11, IFRS 12 - Guidance for first-time adoption (06/12)*:	These items provide guidance for the first-time adoption of IFRS 10, IFRS 11 and IFRS 12	Fiscal year ended 31 December 2014	An analysis of impacts is in progress, in particular for IFRS 12

New standards and interpretations not yet adopted by the European Union

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

In particular, the Group does not foresee or plan at this stage early adoption of IFRIC 21 that may be anticipated as it represents an interpretation of texts already adopted by the European Union.

3.2 Critical accounting estimates and judgements

3.2.1 Critical accounting estimates and assumptions

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

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

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

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

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

- net realisable value of inventory (cf. note 4.5): the net realisable value of work in progress and finished goods at 31 December 2013 determined on the basis of actual recorded transactions depending on each equipment's production year, remains significantly higher than the cost price,

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

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

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

- amortisation and depreciation periods for fixed assets (cf. note 4.3),

- the valuation of provisions, notably for manufacturer warranties (cf. note 4.10) and for pension liabilities (cf. note 4.9),

- the recognition of deferred tax assets (cf. note 4.12).

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

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

The main material risks and uncertainties that could have a material impact on the Group identified at 31 December 2013 relate on the one hand to the market risk, to the monetary environment of the Group and, on the other hand, items relating to its liquidity situation (described in detail in note 5.d).

Fiscal year 2013 was marked by sales growth in all the Group's geographical markets and business lines. Sales volumes nevertheless remain sensitive to uncertainties with respect to the macro-economic environment and consequently to market aleas. The start of 2014 is pointing towards a significant recovery of the business, particularly in Europe, resulting in a significant increase in order books. This should allow Haulotte Group to show more than 10% revenue growth in 2014, thanks to gains of new market shares.

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

As described in note 2.1 and note 22, the final instalment in the repayment of the syndicated loan of the Group is July 2015 and all obligations for the Group as per this contract are met at 31 December 2013. Discussions will be undertaken with the banking syndicate from 2014 first semester with the purpose of extending the maturity of this credit facility.

The liquidity risk is described in detail in note 5.d). Based on the level of cash resources and credit lines open and available at 31 December 2013 compared with cash forecasts for the first few months of 2014, there are no reasons that would call into question the Group's ability to meet its obligations with respect to the instalment schedule for July 2014 for an amount of €28 million.

3.3 Consolidation

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

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

3.4 Intercompany balances and transactions

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

3.5 Foreign currency translation of foreign subsidiaries financial statement

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

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

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

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

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

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

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

3.6 Translation of transactions in foreign currency

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

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

3.7 Business combinations

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

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

is calculated by taking into account tha acquisition-date fair value of minority interests, rather than their share of the fair value of the assets and liabilities of the acquiree.

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

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

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

3.8 Segment reporting

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

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

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

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

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

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

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

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

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

4.1 Goodwill

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

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

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

The Group has defined three CGUs:

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

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

Goodwill impairment charges are irreversible.

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

4.2 Intangible assets

a) Development expenditures

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

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

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

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

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

b) Other intangible assets

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

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

4.3 Property, plant and equipment

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

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

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

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

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

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

Contracts corresponding to operating leases are not restated.

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

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

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

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

4.4 Financial assets

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

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

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

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

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

4.5 Inventories and work in progress

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

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

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

4.6 Trade receivables

There are four categories of trade receivables:

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

The accounting treatment for each transaction category is described below.

4.6.1 Sales without Group financing or guarantees

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

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

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

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

4.6.2 Sales including guarantees granted by the Group

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.6.3 Financial leases

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

The accounting treatment for these agreements is as follows:

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

4.6.4 Back-to-back lease arrangements

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

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

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

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

4.7 Cash and cash equivalents

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

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

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

4.8 Treasury shares

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

4.9 Employees benefits

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

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

4.10 Provisions

In general a provision is recorded when:

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

Warranty provision

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

Litigations

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

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

4.11 Borrowings

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

4.12 Deferred taxes

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

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

NOTE 5 - MANAGEMENT OF FINANCIAL RISK

a) Foreign exchange risk

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

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

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

b) Interest rate risk

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

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

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

c) Credit risk

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

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

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

d) Liquidity risk

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

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

Status of the syndicated credit facility :

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

At 31 December 2013, the outstanding amount for syndicated credit lines totalled €42.9 million with a remaining balance for a drawdown of an additional €54 million. At year-end, the Group had cash and cash equivalents of €18.5 million. The amendment to this syndicated loan agreement executed in July 2012 provides for payment of an instalment by the Group in July 2014 of €28.0 million.

Based on the level of cash resources and credit lines open and available at 31 December 2013 in conjunction with cash forecasts for the initial months of 2014, there are no reasons that might call into question the Group's ability to meet its obligations with respect to the contractual instalment of July 2014 of the syndicated credit facility mentioned above.

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

6.1 Revenue recognition

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

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

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

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

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

6.2 Cost of sales

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

6.3 Selling expenses

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

6.4 General and administrative expenses

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

6.5 Research and development expenditures

Research expenditures are expensed in the period they are incurred.

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

6.6 Other operating income and expenses

This heading includes:

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

6.7 Operating income

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

6.8 Cost of net financial debt

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

6.9 Other financial income and expenses

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

6.10 Earnings per share

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

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

NOTE 7 - PÉRIMÈTRE DE CONSOLIDATION

Companies consolidated at 31 December 2013 are:

Entity	Country	Interest %	Consolidation method at 31 December 2013	Consolidation method at 31 December 2012
Haulotte Group S.A.	France	Mother Company		
Haulotte France Sarl	France	99,99%	Full consolidation	Full consolidation
Haulotte Services France	France	99,99%	Full consolidation	Full consolidation
TELESCOPELLE S.A.S	France	100%	Full consolidation	Full consolidation
Access Rentals (UK) Ltd.	England	100%	-	Full consolidation
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte Argentina S.A.	Argentina	95%	Full consolidation	Full consolidation
Haulotte Arges S.R.L.	Romania	100%	Full consolidation	Full consolidation
Haulotte Australia Pty. Ltd.	Australia	100%	Full consolidation	Full consolidation
Haulotte Cantabria S.L.	Spain	100%	Full consolidation	Full consolidation
Haulotte Chile SPA	Chile	100%	Full consolidation	Full consolidation
Haulotte Do Brazil LTDA	Brazil	99,98%	Full consolidation	Full consolidation
Haulotte Hubarbeitsbühnen GmbH	Germany	100%	Full consolidation	Full consolidation
Haulotte Iberica S.L.	Spain	98,71%	Full consolidation	Full consolidation
Haulotte Italia S.R.L.	Italia	99%	Full consolidation	Full consolidation
Haulotte India Private Ltd.	India	99,99%	Full consolidation	-
Haulotte Mexico SA de CV	Mexico	99,99%	Full consolidation	Full consolidation
Haulotte Middle East FZE	Dubaï	100%	Full consolidation	Full consolidation
Haulotte Netherlands B.V.	Netherlands	100%	Full consolidation	Full consolidation
Haulotte Polska SP Z.O.O.	Poland	100%	Full consolidation	Full consolidation
Haulotte Portugal, plataPortugale de elevaçao, Unipessoal, LDA	Portugal	98,71%	Full consolidation	Full consolidation
Haulotte Scandinavia AB	Sweden	100%	Full consolidation	Full consolidation
Haulotte Services SA de CV	Mexico	99,99%	Full consolidation	Full consolidation
Haulotte Singapore Ltd.	Singapore	100%	Full consolidation	Full consolidation
Haulotte Trading (Shanghai) co. Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte UK Limited	England	100%	Full consolidation	Full consolidation
Haulotte U.S., INC.	United-States	100%	Full consolidation	Full consolidation

Haulotte Vostok	Russia	100%	Full consolidation	Full consolidation
Horizon High Reach Chle SPA	Chile	100%	Full consolidation	Full consolidation
Horizon High Reach Limited	Argentina	100%	Full consolidation	Full consolidation
Levanor Maquinaria de Elevacion S.A.	Spain	91%	Full consolidation	Full consolidation
Mundilevaçao, Aluger e Transporte de Plataformas LDA	Portugal	81.90%	Full consolidation	Full consolidation
NO.VE. S.R.L.	Italia	100%	Full consolidation	Full consolidation
N.D.U Maquinaria y Plataformas Eleva-doras, S.L.	Spain	98,71%	Full consolidation	Full consolidation
UK Platforms Ltd.	England	100%	-	Full consolidation
Bil Jax, Inc.	United-States	100%	Full consolidation	Full consolidation
Equipro, Inc.	United-States	100%	Full consolidation	Full consolidation
Bil Jax Service, Inc.	United-States	100%	Full consolidation	Full consolidation
Seaway Scaffold & Equipment	United-States	100%	Full consolidation	Full consolidation
Scaffold Design and Erection	United-States	100%	Full consolidation	Full consolidation

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

NOTE 8 - CHANGES IN GROUP STRUCTURE

As described in note 2.2., the subsidiaries UK Platforms Ltd. and Access Rentals (UK) Ltd. were sold on 28 June 2013, and deconsolidated at this date. In compliance with IFRS 5, elements of the income statement and of the cash flow statement relating to this activity were identified separately as discontinued operations in the corresponding schedules. The detail of the amounts separated is disclosed in notes 29 and 43.

A new distribution entity was created in India to lodge the Group's distribution activity in this country, Haulotte India Private Ltd.

NOTE 9 - GOODWILL

At 31/12/2013

Entities owned	Gross value	Impairment	Net value
North America CGU	14 451	(3 626)	10 825
BilJax	*14 451*	*(3 626)*	*10 825*
Nove CGU	2 580	-	2 580
Horizon CGU	1 728	-	1 728
N.D.U. CGU	772	(772)	-
Manufacturing and Distribution outside from North America CGU	54	(54)	-
Haulotte France	*54*	*(54)*	-
Total	**19 585**	**(4 452)**	**15 133**

At 31/12/2012

Entities owned	Gross value	Impairment	Net value
North America CGU	15 105	-	15 105
BilJax	*15 105*		*15 105*
UK Platforms CGU	12 158	(12 158)	-
Nove CGU	2 580	-	2 580
Horizon CGU	2 394	-	2 394
N.D.U. CGU	772	(772)	-
Manufacturing and Distribution outside from North America CGU	54	(54)	-
Haulotte France	*54*	*(54)*	-
Total	**33 063**	**(12 984)**	**20 079**

The write-off of the goodwill linked to the company UK Platforms sold in the fiscal year as described in note 2, has no impact as the goodwill was fully impaired.

The change presented in goodwill between the two periods (or €4 946 thousand) reflects the impairment of the goodwill for the North America CGU as well as the currency effect on goodwill for Horizon and BilJax.

• « North America » CGU

The last impairment test for the «North America» region considered as a cash generating unit (CGU) was performed on 30 June 2012. Because economic conditions have not improved since that date, a new impairment test was performed on 31 December 2013 on the CGU that includes the US entities of the Group.

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

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

- significant growth in market share in the sector of the sale of aerial work platforms in the "North American" market, on a 5 years horizon;
- consolidation of levels of profitability found on the different activities operated on the North American market;
- the impairment test included cash flow projections over five years, an assumption of long-term growth of 1.5% and a discount rate (WACC) of 11% (no change compared to discount rate used in 2012);

On the basis of these assumptions, management considers that the value in use of the "North America" CGU is below its accounting value, and therefore recorded an impairment amounting to USD 5 000 thousand.

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

- sales forecast : an improvement of 3% in the sales forecast used in the discounted cash flow calculations would make the value in use of the CGU equivalent to its carrying value. A decrease of the same proportion would lead to an additional impairment of USD 6 000 thousand
- discount rate : a decrease of 0.9 points of the discount rate would lead to equivalence between the value in use of the CGU and its carrying value before the impairment recorded this year
- the long-term growth rate : a decrease of the long term growth rate by 0.5 point would lead to an additional impairment of USD 1 000 thousand.

• « Rental companies » CGU

For the entity Nove, an impairment test was performed based on projected cash flows for 4 years, assumption of long-term growth of 1.5% and a discount rate of 8.5% (similar to the one used in 2012).

On the basis of this test, no impairment was recorded for this CGU in the consolidated financial statements for the period ended 31 December 2013.

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

- sales forecast : a decrease of 8% in the sales forecast used in the discounted cash flow calculations would make the value in use of the CGU equivalent to its carrying value
- discount rate : an increase of 3 point of the discount rate would lead to equivalence between the value in use of the CGU and its carrying value.

The CGU has not been identified as sensible to the long-term growth rate parameter.

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

On the basis of this test, no impairment was recorded for this CGU in the consolidated financial statements for the period ended 31 December 2013.

Sensibility analysis carried out shows that no impairment charge would be recorded with a decrease in average market values estimated of up to 15 %.

NOTE 10 - INTANGIBLE ASSETS

	31/12/2012	Increase	Decrease	Reclassi-fications and other changes	Translation adjustment	31/12/2013
Development expenditure	13 050	20	-	-	-	13 070
Concessions, patents, licenses	7 982	347	-	443	(5)	8 767
Other intangible and in progress	653	1 917	-	(481)	-	2 089
Gross value	**21 685**	**2 284**	**-**	**(38)**	**(5)**	**23 926**
Depreciation / impairment of develop-ment expenditure	7 752	447	-	-	-	8 199
Depreciation of concessions, patents, licenses	5 395	1 171	-	-	(7)	6 559
Depreciation of other intangibles and in progress	14	6	-	21	(1)	40
Accumulated depreciation and impairment	**13 161**	**1 624**	**-**	**21**	**(8)**	**14 798**
Net value	**8 524**	**660**	**-**	**(59)**	**3**	**9 128**

The depreciation of development expenditure of € 447 thousand is included under the line item « Research and development expenditure » of the income statement.

NOTE 11 - TANGIBLE ASSETS

	31/12/2012	Increase	Decrease	Reclassifications and other changes*	Translation adjustment	Change in consolidation scope	31/12/2013
Land	6 189	-	(509)	-	(38)	-	5 642
Building	42 688	802	(1 860)	100	(664)	-	41 066
Plant machinery	28 755	596	(328)	302	(350)	-	28 975
Equipment for rental	88 650	10 153	(12 224)	20	(3 883)	(49 119)	33 597
Other PPE	12 161	1 231	(859)	75	(466)	(974)	11 168
Fixed assets in progress	704	669	-	(487)	(20)	-	866
Gross value	**179 147**	**13 451**	**(15 780)**	**10**	**(5 421)**	**(50 093)**	**121 314**
Depreciation/ impairment of building	15 850	1 704	(912)	(27)	(316)	-	16 299
Depreciation/ impairment of plant machinery	20 230	1 906	(306)	(22)	(258)	-	21 550
Depreciation/ impairment of equipment for rental	47 245	8 604	(8 558)	891	(1 505)	(26 202)	20 475
Depreciation/ impairment of other PPE	8 935	1 097	(752)	-	(298)	(553)	8 429
Accumulated depreciation and impairment	**92 260**	**13 311**	**(10 528)**	**842**	**(2 337)**	**(26 755)**	**66 753**
Net value	**86 887**	**140**	**(5 252)**	**(832)**	**(3 044)**	**(23 338)**	**54 561**

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

The increase in «Equipment for rental» of €10 153 thousand relates mainly to the acquisition of aerial access equipment by rental companies, and in particular €4 851 thousand for UK Platforms, €1 618 thousand for Horizon Chile and €1 062 thousand for Horizon Argentina.

Disposals under this line item relate mainly to the renewal of our fleet of aerial work platforms or to the fleet adjustment in line with the activity of local markets and concern for a gross value mainly €3 711 thousand for Nove, Munidelevaçao for €2 499 thousand and Horizon Argentina for €1 906 thousand and UK Platforms for €1 629 thousand.

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

NOTE 12 - FINANCIAL ASSETS

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

	31/12/2012	Increase	Decrease	Reclassifications	Translation adjustment	31/12/2013
Financial assets	1 998	327	(86)	(3)	(36)	2 200

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

NOTE 13 - INVENTORY

At 31/12/2013	Gross value	Provision	Net value
Raw materials	20 190	(957)	19 233
Work in progress	3 777	(55)	3 722
Semi finished and finished goods	62 774	(5 034)	57 740
Trade goods	12 322	(2 425)	9 897
Total	**99 063**	**(8 471)**	**90 592**

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

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

The change in inventory of €(17 407) thousand on 31 December 2013 versus a decrease of €(28 948) thousand at 31 December 2012 is recognised under the cost of sales in the income statement.

Provisions for inventory impairment losses break down as follows:

	31/12/2012	Increase	Decrease	Change in consolidation scope	Translation adjustment	31/12/2013
Provision for inventory impairment losses	10 645	3 953	(5 675)	(106)	(346)	8 471

NOTE 14 - TRADE RECEIVABLES

At 31/12/2013		Gross value	Provision	Net value
Non-current assets				
Receivables from financing activities exceeding one year		10 604		10 604
including finance lease receivables		*7 664*		*7 664*
including guarantees given		*2 940*		*2 940*
	Sub-total	**10 604**		**10 604**
Current assets				
Trade receivables		92 431	(25 697)	66 734
Receivables from financing activities less than one year		6 443	(873)	5 570
including finance lease receivables		*5 099*	*(513)*	*4 586*
including guarantees given		*1 344*	(360)	*984*
	Sub-total	**98 874**	**(26 570)**	**72 304**
Total		**109 478**	**(26 570)**	**82 908**

At 31/12/2012	Gross value	Provision	Net value
Non-current assets			
Receivables from financing activities exceeding one year	11 142		11 142
including finance lease receivables	*7 936*		*7 936*
including guarantees given	*3 206*		*3 206*
Sub-total	**11 142**		**11 142**
Current assets			
Trade receivables	111 838	(26 979)	84 859
Receivables from financing activities less than one year	6 997	(1 050)	5 947
including finance lease receivables	*4 772*	*(478)*	*4 294*
including guarantees given	*2 225*	(572)	*1 653*
Sub-total	**118 835**	**(28 029)**	**90 806**
Total	**129 977**	**(28 029)**	**101 948**

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

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

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

- either the amount of capital remaining due by the customer of Haulotte Group to the financial institution

- or the maximum amount of the risk incurred by Haulotte Group

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

Provisions for trade receivables break down as follows:

	31/12/2012	Increase	Decrease	Translation adjustment	31/12/2013
Provisions for trade receivables	28 029	2 585	(3 171)	(873)	26 570

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

	Total	Not due	Due		
			less than 60 days	60 to 120 days	more than 120 days
Net trade receivables 2013	82 908	76 186	2 045	2 691	1 986
Net trade receivables 2012	101 948	93 484	3 672	2 278	2 514

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

NOTE 15 - OTHER ASSETS

	31/12/2013	31/12/2012
Other current assets	12 826	8 456
Advances and instalments paid on orders	1 102	981
Prepaid expenses	1 789	2 116
Depreciation of other current assets	(224)	(224)
Total other current assets	**15 493**	**11 329**
Other non-current assets	-	-
Total other assets	**15 493**	**11 329**

« Other current assets » mainly includes VAT receivables.

NOTE 16 - TRANSFERS OF FINANCIAL ASSETS

Factoring agreement with Haulotte France Sarl

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

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

At 31 December 2013, receivables assigned amounted to €4 116 thousand and resulted in the recognition €3 162 thousand in financial liabilities that were included under «current financial liabilities» (see also note 22).

NOTE 17 - RECEIVABLES BY MATURITY

At 31/12/2013	Total	less than 1 year	1 to 5 years
Trade receivables*	66 734	66 734	-
Trade receivables from financing activities	16 175	5 571	10 604
Other assets	15 493	15 493	-
Total	**98 402***	**87 798**	**10 604**

*Including receivables overdue for €6 722 thousand (cf. note 14)

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

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

NOTE 18 - FOREIGN EXCHANGE RISK MANAGEMENT

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

At 31/12/2013	EUR	AUD	GBP	USD	BRL	Others	TOTAL
Trade receivables	56 941	6 615	5 231	29 722	3 513	7 456	**109 478**
Trade payables	(25 866)	(200)	(231)	(2 756)	(74)	(3 073)	**(32 200)**
Net amount	**31 075**	**6 415**	**5 000**	**26 966**	**3 439**	**4 383**	**77 278**

At 31/12/2012	EUR	AUD	GBP	USD	BRL	Others	TOTAL
Trade receivables	76 395	5 743	10 239	22 007	8 752	6 841	**129 977**
Trade payables	(27 018)	(243)	(1 662)	(2 967)	(40)	(2 589)	**(34 519)**
Net amount	**49 377**	**5 500**	**8 577**	**19 040**	**8 712**	**4 252**	**95 458**

A 10% increase in the value of the euro against the pound sterling would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €454 thousand.

A 10% increase in the value of the euro against the US dollar would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €2 451 thousand.

A 10% increase in the value of the euro against the Australian dollar would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €583 thousand.

A 10% increase in the value of the euro against the Brazilian real would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €313 thousand.

NOTE 19 - CASH AND CASH EQUIVALENTS

	31/12/2013	31/12/2012
Cash at bank and in hand	18 538	16 548
Money market funds	10	10
Total	**18 548**	**16 558**

NOTE 20 - DERIVATIVE INSTRUMENTS

All derivative instruments owned by the Group at 31 December 2013 as it was at 31 December 2012 are recorded according to their fair value estimated based on a level 2 method as defined in IFRS 7 as described in the note 5.

Positive fair value of derivative instruments:

	31/12/2013	31/12/2012
GBP forward purchases	612	-
USD forward sales	1 333	1 102
Total	**1 945**	**1 102**

Negative fair value of derivative instruments:

	31/12/2013	31/12/2012
Interest rates swap	(474)	(974)
Total	**(474)**	**(974)**

NOTE 21 - SHARE CAPITAL AND PREMIUMS

	31/12/2013	31/12/2012
Number of shares	31 214 129	31 214 129
Nominal value in euros	0,13	0,13
Share capital in euros	***4 057 837***	***4 057 837***
Share premiums in euros	***92 044 503***	***92 044 503***

Treasury shares are as follows :

	31/12/2013	31/12/2012
Number of treasury shares	1 837 823	1 837 823
Treasury shares as a percentage of capital	5,89 %	5,89 %
Market value of treasury shares in K€*	20 106	10 016

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

There was no movement in treasury shares during the years 2012 and 2013. The balances are therefore as follows:

TYPE		2013	2012
Liquidity	Number of shares owned at 31 December	139 418	139 418
	Initial value of shares owned at 31 December	1 506 773	1 506 773
Mandate	Number of shares owned at 31 December	1 698 405	1 698 405
	Initial value of shares owned at 31 December	13 183 551	13 183 551
Global	Number of shares owned at 31 December	1 837 823	1 837 823
	Initial value of shares owned at 31 December	14 690 324	14 690 324
	Closing quoted value of shares at 31 December	10,94	5,45

NOTE 22 - BORROWINGS AND FINANCIAL LIABILITIES

	31/12/2013	31/12/2012
Syndicated loan	14 727	-
Guarantees given	2 940	3 206
Biljax's credit line	3 198	-
Other borrowings	2 990	5 472
Bank loans and borrowings > 1 year	**23 855**	**8 678**
Other loans and borrowings	**1 420**	**1 406**
Non-current financial liabilities	**25 275**	**10 084**
Syndicated loan	27 527	85 978
Guarantees given	1 344	2 224
Biljax's credit line	1 879	6 907
Haulotte France factoring	3 162	8 453
Other borrowings	418	2 559
Bank loans and borrowings < 1 year	**34 330**	**106 121**
Other borrowings and financial liabilities	**227**	**154**
Syndicated loan	121	1 342
Biljax's credit line	134	-
Other bank overdraft	30	1 071
Bank overdrafts	**285**	**2 413**
Current financial liabilities	**34 842**	**108 688**
Total borrowings and financial liabilities	**60 117**	**118 772**

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

Successive amendments modified in 2006, 2009, June 2010 and finally in July 2012 the aggregate amount and breakdown of the different tranches of this credit facility. The maturity of the credit facility is July 2015 with a repayment schedule for Tranche A, B and C defined as follows :

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

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

As also described in note 2.1, following the last agreements reached with the financial partners in June 2013, the Group prepaid on 28 June 2013 the instalment scheduled for July 2013 by the credit facility. All bank ratios are met on 31 December 2013, and the borrowings were therefore disclosed according to the contractual due dates in the financial statements, consequently €28 million were presented as short term.

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

The following information relating to the syndicated loan detail:

- the amount of each tranche by nature (a)
- the balance due by the Company at 31 December 2013 after drawings on the different credit lines (b)
- the balance available on each tranche for further drawing (c)

		Total loan (a)	**(b)**	**(c)**
Tranche A	Refinancing of existing debt	70 000		-
Tranche B	Financing of capital expenditure	70 000	26 001	-
Tranche C	Financing of acquisitions	31 000	1 997	-
Tranche D	Financing of working capital - Revolving [1]	67 500	15 000	41 500
	Financing of working capital - Overdraft [1]	12 500	-	12 500
	Total	**251 000**	**42 998**	**54 000**

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

In accordance with the repayment schedule of the loan agreement, €24 500 thousand were reimbursed during the financial year for tranches A, B and C. Furthermore, the net change in the revolving credit line item in the period results from a repayment of €19 500 thousand.

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

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

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

Translated value in thousands of euros	31/12/2013	31/12/2012
Euros	50 261	102 468
GBP	-	3 860
USD	5 211	6 909
Others	362	105
Total	**55 834**	**113 342**

NOTE 23 - MANAGEMENT OF INTEREST-RATE RISKS

Borrowings, excluding guarantees given, break down as follows:

	31/12/2013	31/12/2012
Fixed rate borrowings	8 381	19 118
Variable rate borrowings	47 453	94 224
Total	**55 834**	**113 342**

A 1% rate increase would result in a maximum additional interest expense, excluding hedges, of €475 thousand.

NOTE 24 - PROVISIONS

	31/12/2012	Allo-wance	Provision used in the period	Reversal of unused provision	Reclassifi-cations	Ohter changes	Translation adjustment	31/12/2013
Provisions for product warranty	5 017	4 758	(1 023)	(2 166)	3	-	(45)	6 544
Restructuring provision	326	-	(318)	-	-	-	-	8
Provisions for litigation	2 252	3 277	(3 110)	(98)	(3)	-	(84)	2 234
Short-term portion of pensions provisions	34	-	-	-	(19)	-	-	15
Current provisions	**7 629**	**8 035**	**(4 451)**	**(2 264)**	**(20)**	**-**	**(129)**	**8 801**
Long-term portion of pensions provisions	2 916	418	(55)	(29)	17	-	-	3 267
Non-current provisions	**2 916**	**418**	**(55)**	**(29)**	**17**	**-**	**-**	**3 267**
Total provisions	**10 545**	**8 453**	**(4 506)**	**(2 293)**	**(3)**	**-**	**(129)**	**12 068**

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

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

Contingent liabilities

A suit was filed against our company and its subsidiary Haulotte France for patent infringement.

Haulotte Group contested the arguments raised by the opposing party. In its ruling of November 2013, the Paris Regional Court (Tribunal de Grande Instance) dismissed the claims of the plaintiff for literal reproduction infringement though recognized the existence of infringement by equivalence with respect to specific models of machines which are no longer currently manufactured. The ruling did not issue a decision for any final amount.

In January 2014, Haulotte Group appealed this decision and considers it has reasonable chances for its reversal based on items in its possession.

Analysis of these facts, which we believe confirms the merits of our position, must however be balanced by the assessment of a risk for unforeseen outcomes resulting from the existence of a degree of uncertainty associated with all legal proceedings.

Under these conditions, because the obligation of Haulotte Group SA was neither certain nor probable at the end of the reporting period, it can only record a contingent liability.

We furthermore consider that the disclosure of information relating to requests that are unfounded or disproportionate by the opposing party could result in a serious and unjustified harm to Haulotte's image

Provisions for pensions

Refer to note 25.

NOTE 25 - PENSION AND RELATED BENEFITS

Haulotte Group had opted for the early adoption of Revised IAS 19 on 1 January 2012. Therefore, the periods presented in 31 December 2013 financial statements are comparable.

Main assumptions used for the valuation of liabilities

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

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

	31 December 2013	31 December 2012
Turnover rate	based on historical data available to the Group with no changes between the two periods	
Rate of wage increases (according to seniority, the projected career profile, collective bargaining agreements, and long-term inflation rate)	2%	2%
Discount rate	3%	5%
Retirement age	Employees born before 1 January 1950 : Management 62 ans Supervisors / office employees and workers 60 ans Employees born after 1 January 1950 : Management 65 ans Supervisors / office employees and workers 63 ans	

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

The Group does not hold any plan assets.

Sensitivity of accumulated benefit obligations to changes in the discount rate

A general decline in the discount rate of 0.25 points would result in a 3.9% increase in benefit obligations.

Change in accumulated benefit obligations

	31 December 2013	31 December 2012
Present value of the commitment at the beginning of the period	**2 950**	**2 177**
Service costs of the year	232	341
Discount costs	62	63
Subtotal of amounts recognised in profit or loss	***294***	***404***
Benefits paid in the period	(104)	(195)
Subtotal of outflows (benefits and contributions paid by the employer)	***(104)***	***(195)***
Changes in assumptions	5	543
Actuarial (gains) and losses arising from experience adjustments	137	132
Translation adjustments	-	3
Subtotal amounts recognised in other comprehensive income	***142***	***678***
Reclassifications	-	(114)
Present value of the commitment at the end of the period	**3 282**	**2 950**

Analysis of the expense of the period

	31 December 2013	31 December 2012
Service costs of the year	232	341
Past service costs	-	-
Plan reductions and discontinuations	-	-
Total service costs	***232***	***341***
Discount costs	62	63
Interest income from plan assets	-	-
Total net interest	***62***	***63***
Total expense of the period recognised in the income statement	**294**	**404**

Breakdown of amounts recognised in Other Comprehensive Income

	31 December 2013	31 December 2012
Actuarial losses and (gains) arising from changes in demographic assumptions	5	13
Actuarial losses and (gains) arising from changes in financial assumptions	-	530
Actuarial (gains) and losses arising from experience adjustments	137	132
Return on plan assets (more than) / less than interest income	-	-
Total amounts recognised in other comprehensive income	**142**	**675**

Total amounts recognised in Other Comprehensive Income

	31 December 2013	31 December 2012
Total amounts recognised in OCI at the beginning of the period	**693**	**18**
Revaluation of net liabilities / assets of the period	142	675
Total amounts recognised in OCI at the end of the period	**835**	**693**
Deferred taxes	-	(238)
Net amounts recognised in OCI at the beginning of the period	**835**	**455**

NOTE 26 - PAYABLES BY MATURITY

31/12/2013	Amount	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	58 185	34 330	23 855	-
Including leases obligations and other guarantees	*4 284*	*1 344*	*2 940*	-
Other loans and borrowings	1 647	227	1 420	-
Bank overdrafts	285	285	-	-
Accounts payable	32 200	32 200	-	-
Other current liabilities	21 486	21 486	-	-
Derivative instruments	473	395	78	-
Total	**114 276**	**88 923**	**25 353**	**-**

31/12/2012	Amount	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	114 799	106 121*	8 678	-
Including leases obligations and other guarantees	*5 430*	*2 224*	*3 206*	-
Other loans and borrowings	1 560	154	1 406	-
Bank overdrafts	2 413	2 413	-	-
Accounts payable	34 519	34 519	-	-
Other current liabilities	24 147	24 147	-	-
Derivative instruments	974	795	179	-
Total	**178 412**	**168 149**	**10 263**	**-**

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

NOTE 27 - OTHER CURRENT LIABILITIES

	31/12/2013	31/12/2012
Down payments received	2 237	1 956
Payables to fixed asset suppliers	-	20
Tax and employee-related liabilities	10 452	12 454
Prepaid income	212	714
Others	8 585	9 003
Total	**21 486**	**24 147**

NOTE 28 - DEFERRED TAXES

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

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

In this context, at 31 December 2013, as at 31 December 2012, deferred tax assets relating to tax losses carried forward that are forecasted to be used within the 3 next years were recognized for a total tax amount of €7 545 thousand (€23 802 thousand of tax losses basis) compared to €7 494 thousand (€23 185 thousand of tax losses basis) in December 2012.

The global amount of tax losses carried forward for which no deferred tax assets were recorded amount to €150 461 thousand for the Group at 31 December 2013 (€176 947 thousand at 31 December 2012).

The amount of deferred tax assets that were not recognized due to the capping of deferred tax assets up to the amount of deferred tax liabilities with the same maturity at 31 December 2013 is €3 446 thousand (€2 247 thousand at 31 December 2012).

Deferred taxes break down as follows :

	31/12/2013	31/12/2012
Deferred tax assets	**15 788**	**18 494**
relating to consolidation adjustment/consolidation entries	5 024	6 176
relating to tax temporary differences	6 665	7 069
relating to tax losses carried forward	7 545	7 496
impact of the capping of deferred tax assets	(3 446)	(2 247)
Deferred tax liabilities	**(8 131)**	**(10 886)**
relating to consolidation adjustment/consolidation entries	(7 073)	(10 035)
relating to tax temporary differences	(1 058)	(851)
Total net deferred taxes	**7 657**	**7 608**

	31/12/2013	31/12/2012
Deferred taxes from adjustments of the fair value of rental equipment	(776)	(1 006)
Deferred taxes from adjustments on finance leases and back-to-back leases	(68)	38
Deferred taxes from provisions of pensions	778	686
Deferred taxes from adjustments of internal margins on inventories and fixed assets	2 957	4 408
Deferred taxes from non-deductible provisions	4 188	3 205
Deferred taxes from differences in depreciation periods and R&D costs	(3 707)	(3 949)
Deferred taxes from tax losses	7 545	7 496
Deferred taxes from other consolidation adjustments	34	(2 713)
Deferred taxes from other temporary differences	152	1 690
Impact of the capping of deferred tax assets	(3 446)	(2 247)
Total	**7 657**	**7 608**

The change in net deferred tax breaks down as follows:

	31/12/2013	31/12/2012
Opening net balance	**7 608**	**5 000**
Income / (loss) from deferred taxes relating to continuing activities	(4 004)	2 568
Income / (loss) from deferred taxes relating to discontinued activities	(49)	(180)
Deferred taxes recognised in other comprehensive income	3 647	309
Translation adjustment	(249)	(89)
Other changes	704	-
Closing net balance	**7 657**	**7 608**

NOTE 29 - NET INCOME STATEMENT OF DISCONTINUED ACTIVITIES

The detail of the elements of the income statement presented in the caption “Net income for discontinued operations “ is as follows:

	31/12/2013		31/12/2012	
Sales and revenue	11 042	100 %	23 860	100 %
Cost of sales	(8 074)	-73 %	(17 247)	-72 %
Selling expenses	(915)	-8 %	(2 065)	-9 %
General and administrative expenses	(1 934)	-18 %	(3 960)	-17 %
Research and development expenditures	-		-	
Exchange gains and losses	-		149	1 %
CURRENT OPERATING INCOME	**119**	1 %	**737**	3 %
Other operating income and expenses	8 600	78 %		0 %
OPERATING INCOME	**8 719**	79 %	**737**	3 %
Cost of net financial debt	(660)	-6 %	(1 323)	-6 %
Other financial income and expenses				
INCOME BEFORE TAXES	**8 058**	73 %	**(586)**	-2 %
Income tax	(48)		(180)	
NET INCOME	**8 010**	73 %	**(766)**	-3 %

The other operating income and expenses consists of the profit on the disposal of the activity.

NOTE 30 - SALES AND REVENUE FOR CONTINUING OPERATIONS

Note 42 on segment reporting provides with details on sales and revenue.

NOTE 31 - COST OF SALES FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Production cost of sales	(248 919)	(245 394)
Change in inventory provisions	2 095	2 296
Warranty costs	(7 522)	(5 316)
Total	**(254 346)**	**(248 414)**

NOTE 32 - GENERAL AND ADMINISTRATIVE EXPENSES FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Administrative expenses	(27 908)	(27 414)
Amortisation of development expenditures	(687)	(872)
Management expenses	(10 175)	(11 495)
Others	(2 214)	(4 528)
Total	**(40 984)**	**(44 309)**

NOTE 33 - RESEARCH AND DEVELOPMENT EXPENDITURES FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Development expenditures recognised as intangible assets	1 459	2 340
Amortisation of development expenditures	(727)	(489)
Research tax credit	921	787
Development expenditures	(7 521)	(6 886)
Total	**(5 868)**	**(4 248)**

NOTE 34 - EXCHANGE GAINS AND LOSSES FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Realised exchange gains and losses	(1 023)	(891)
Unrealised exchange gains and losses	(3 762)	(4 035)
Total	**(4 785)**	**(4 926)**

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

NOTE 35 - EXPENSES BY NATURE OF CURRENT OPERATING INCOME FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Purchases of raw materials and other consumables and changes in finished products inventory	(180 463)	(181 485)
External charges	(69 860)	(65 959)
Taxes and related items	(5 280)	(9 001)
Staff costs	(65 279)	(62 885)
Net depreciation, impairment and provisions	(9 419)	(8 395)
Currency gains and losses	(4 785)	(4 926)
Other operating income and expenses	5 449	6 749
Total	**(329 637)**	**(325 902)**

NOTE 36 - STAFF COSTS FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Salaries and wages	(48 479)	(46 412)
Social security and related expenses	(16 769)	(16 359)
Employee profit-sharing	(7)	(14)
Pensions costs	(24)	(100)
Total	**(65 279)**	**(62 885)**

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

NOTE 37 - OTHER OPERATING INCOME AND EXPENSES FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Net proceeds from asset disposals	2 486	(1)
Cost of litigation net of increases/ decreases in provisions	(1 156)	(359)
Manufacturing operations reorganisation costs	-	(4 669)
Costs of the discontinuation of rental operations in Portugal	-	(299)
Tax and customs audits	(200)	-
Impairment of goodwill	(3 764)	-
Impairment loss on VAT receivables	-	-
Miscellaneous adjustments for prior periods	588	(391)
Others	(26)	(240)
Total	**(2 071)**	**(5 959)**

NOTE 38 - COST OF NET FINANCIAL DEBT FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Interest expenses and fees on loans and bank overdrafts	(3 544)	(6 537)
Cost of transfers of financial assets - Note 2 and 16	(218)	(1 849)
Interests on leasing contracts	451	946
Net of interests on arrears on receivables and payables	-	9
Change in the fair value of financial derivative instruments	1 112	1 774
Others	-	(3)
Total	**(2 199)**	**(5 660)**

NOTE 39 - CORPORATE INCOME TAX FOR CONTINUING OPERATIONS

	31/12/2013	31/12/2012
Current tax	(3 827)	(3 664)
Deferred tax	(3 977)	2 568
Total	**(7 804)**	**(1 096)**

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2013, Haulotte France S.A.R.L, Haulotte Services and Telescopelle S.A.S.

Following the disposal of UK Platforms Ltd and Access Rentals (UK) Ltd on 28 June 2013, the tax consolidation of Haulotte UK with those entities was stopped at this same date (refer to note 2.2)

Haulotte US Inc is the head of a US tax consolidation that included on 31 December 2013, BilJax and its subsidiaries.

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

NOTE 40 - EFFECTIVE INCOME TAX RECONCILIATION

The difference between the effective tax rate of 46.34 % (-20.62 % in December 2012) and the standard rate applicable in France of 34.43 % breaks down as follows:

	31/12/2013		31/12/2012	
Consolidated income before tax	16 944		(6 188)	
Tax (Income)/ Expense calculated at the tax rate applicable to the parent company's profit	**5 834**	**34 ,43%**	**(2 131)**	**34 ,43%**
Effect of differential in tax rates	(2 782)		(1 202)	
Effect of permanently non-deductible expenses or non-taxable income	(5 915)		2 357	
Effect of use of loss carry forwards previously not recognised	(277)		(477)	
Effect of tax assets not recognised	834		(566)	
Effect of the elimination of internal transactions on equity investments	7 379		(5 212)	
Effect of loss carry forwards not recognised	2 262		8 389	
Effect of tax consolidation and income tax credits	(620)		(435)	
Effect of the reversal of unused deferred tax assets	113		46	
Tax relating to previous years	(195)		(103)	
Others	1 220		610	
Effective tax (Income)/ Expense	**7 853**	**46,34%**	**1 276**	**-20,62%**

NOTE 41 - EARNINGS PER SHARE

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

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

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	31/12/2013	31/12/2012
Net income for the Group in thousands of euros	**9 095**	**(7 169)**
Total number of shares	31 214 129	31 214 129
Number of treasury shares	1 837 823	1 837 823
Number of shares used for the earnings per share and the diluted earnings per share calculation	**29 376 306**	**29 376 306**
Earnings per share attributable to shareholders		
- basic	**0,31**	**(0,24)**
- diluted	**0,31**	**(0,24)**

NOTE 42 - SEGMENT REPORTING

42.1. Sales breakdown

Sales by business segment	31/12/2013	%	31/12/2012	%
Sales of handing and lifting equipment	284 470	83	253 416	76
Rental of handing and lifting equipment	22 211	6	45 918	14
Services [1]	36 055	11	32 547	10
Consolidated sales	**342 736**	**100**	**331 881**	**100**

[1] notably spare parts, repairs and financing

Sales by geographic segment	31/12/2013	%	31/12/2012	%
Europe	204 319	60	192 543	58
North America	48 941	14	52 643	16
Latin America	55 889	16	44 230	13
Asia Pacific	33 587	10	42 465	13
Consolidated sales	**342 736**	**100**	**331 881**	**100**

Main contributors for each zone are Haulotte Group SA, Haulotte France and Haulotte GmbH for Europe ; for North America Haulotte US and BilJax Inc. ; for Latin America, Haulotte do Brasil ; and for Asia-Pacific Haulotte Australia.

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Main indicators by business segment

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

31 December 2013	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	*289 320*	*23 373*	*36 576*	-	*349 269*
Inter-segment revenue	*4 850*	*1 163*	*521*	-	*6 534*
Revenue from external customers	284 470	22 210	36 055	-	342 735
Operating profit	20 494	12 847	5 152	(27 466)	11 027
Assets					
Fixed assets	40 074	17 964	3 904	22 706	84 648
including goodwill	*14 452*	*4 307*	-	-	*18 759*
including intangible assets	*4 852*	*8*	*55*	*4 213*	*9 128*
including tangible assets	*20 767*	*13 649*	*3 807*	*16 338*	*54 561*
including financial assets	*3*	-	*42*	*2 155*	*2 200*
Trade receivables from financing activities	-	-	16 175	-	16 175
Including receivables from financing activities at more than one year	-	-	*10 604*	-	*10 604*
Including receivables from financing activities due within one year	-	-	*5 571*	-	*5 571*
Inventories	80 716	2 530	7 373	*(27)*	90 592
Trade receivables	17 904	10 009	28 346	10 475	66 734
Liabilities					
Trade payables	1 963	1 693	3 576	24 968	32 200
Bank borrowings	12 035	195	4 284	43 604	60 118
Other information					
Depreciation and impairment charge in the period	6 390	8 524	116	-	15 030

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31 December 2012	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	*288 335*	*23 945*	*33 756*	-	*346 036*
Inter-segment revenue	*12 257*	*689*	*1 209*	-	*14 155*
Revenue from external customers	276 078	23 256	32 547	-	331 881
Operating profit	11 339	(100)	11 991	(23 218)	12
Assets					
Fixed assets	48 686	47 814	3 912	17 076	117 488
including goodwill	*15 105*	*4 974*	-	-	*20 079*
including intangible assets	*5 317*	-	*29*	*3 178*	*8 524*
including tangible assets	*28 261*	*42 797*	*3 883*	*11 946*	*86 887*
including financial assets	*3*	*43*	-	*1 952*	*1 998*
Trade receivables from financing activities	-	-	17 089	-	17 089
Including receivables from financing activities at more than one year	-	-	*11 142*	-	*11 142*
Including receivables from financing activities due within one year	-	-	*5 947*	-	*5 947*
Inventories	94 604	3 481	7 740	-	105 825
Trade receivables	38 785	16 062	28 254	1 758	84 859
Liabilities					
Trade payables	16 116	3 061	7 586	7 756	34 519
Bank borrowings	19 426	3 965	5 430	85 978	114 799
Other information					
Depreciation and impairment charge in the period	4 849	4 657	142	1 834	11 483

42.2. Main indicators by geographic segment

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

31 December 2013	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*239 982*	*51 108*	*57 052*	*54 349*	-	*402 491*
Inter-segment revenue	*48 250*	*2 167*	*1 163*	*8 176*	-	*59 756*
Revenue from external customers	191 732	48 941	55 889	46 173	-	342 735
Operating profit	(1 512)	(286)	5 064	3 371	4 390	11 027
Assets						
Fixed assets	54 507	21 760	7 478	903	-	84 648
including goodwill	*2 580*	*14 451*	*1 728*	-	-	*18 759*
including intangible assets	*9 152*	-	*(30)*	*6*	-	*9 128*
including tangible assets	*40 847*	*7 309*	*5 651*	*754*	-	*54 561*
including financial assets	*1 927*	-	*129*	*143*	-	*2 199*
Trade receivables from financing activities	13 604	1 768	-	803	-	16 175
Including receivables from financing activities at more than one year	*8 625*	*1 563*	-	*416*	-	*10 604*
Including receivables from financing activities due within one year	*4 979*	*205*	-	*387*	-	*5 571*
Inventories	60 092	14 364	7 142	8 994	-	90 592
Trade receivables	41 790	5 945	9 005	9 994	-	66 734
Liabilities						
Trade payables	27 999	1 669	208	2 324	-	32 200
Bank borrowings	54 582	5 211	171	154	-	60 118
Other information						
Depreciation and impairment charge in the period	12 152	880	1 939	59	-	15 030

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31 December 2012	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*273 725*	*54 091*	*45 068*	*49 374*	-	*422 258*
Inter-segment revenue	*57 322*	*1 448*	*838*	*6 909*	-	*66 517*
Revenue from external customers	192 543	52 643	44 230	42 465	-	331 881
Operating profit	(2 023)	2 440	(917)	2 449	(1 937)	12
Assets						
Fixed assets	83 355	22 952	10 374	807	-	117 488
including goodwill	*2 580*	*15 105*	*2 394*	-	-	*20 079*
including intangible assets	*8 517*	-	*1*	*6*	-	*8 524*
including tangible assets	*70 360*	*7 820*	*7 955*	*752*	-	*86 887*
including financial assets	*1 898*	*27*	*24*	*49*	-	*1 998*
Trade receivables from financing activities	15 143	652	-	1 294	-	17 089
Including receivables from financing activities at more than one year	*9 650*	*652*	-	*840*	-	*11 142*
Including receivables from financing activities due within one year	*5 493*	-	-	*454*	-	*5 947*
Inventories	70 435	15 276	9 554	10 560	-	105 825
Trade receivables	57 303	5 080	13 321	9 155	-	84 859
Liabilities						
Trade payables	30 520	1 779	284	1 936	-	34 519
Bank borrowings	107 831	6 908	-	60	-	114 799
Other information						
Depreciation and impairment charge in the period	9 376	942	968	197	-	11 483

Notes 43 to 45 provide with information regarding the cash flow statement.

NOTE 43 - ANALYSIS OF CHANGE IN WORKING CAPITAL

For continuing operations:

	31/12/2013	31/12/2012
Change in inventories	12 201	27 883
Change in provision for inventories	(1 564)	(2 253)
Change in trade receivables	7 696	(4 394)
Change in provision for trade receivables	(330)	664
Charge in trade payables	812	(18 729)
Change in other assets and liabilities	(7 705)	13 627
Change in operating working capital of continuing operations	**11 110**	**16 798**

For discontinued operations:

	31/12/2013	31/12/2012
Change in inventories	-	(101)
Change in provision for inventories	-	107
Change in trade receivables	(568)	586
Change in provision for trade receivables	93	(238)
Charge in trade payables	1 233	(248)
Change in other assets and liabilities	(522)	117
Change in operating working capital of discontinued operations	**236**	**223**

NOTE 44 - ANALYSIS OF CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES

	31/12/2013	31/12/2012
Change in gross value	(410)	2 076
Change in provisions	(168)	(1 347)
Change in receivables from financing activities	**(578)**	**729**

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

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

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

NOTE 45 - CASH COMPONENTS

	31/12/2013	31/12/2012
Cash on hand and deposit accounts	18 538	16 548
Money market funds and negotiable instruments	10	10
Cash and cash equivalent - balance sheet	**18 548**	**16 558**
Bank overdrafts	(285)	(2 413)
Cash and cash equivalent - cash flow statement	**18 263**	**14 145**
of which cash and cash equivalent as in the cash flow statements for continuing operations	18 263	12 940
of which cash and cash equivalent as in the cash flow statements for discontinued operations	-	1 205

NOTE 46 - INFORMATION ON RELATED PARTIES

46.1. Related parties transactions

Solem S.A.S. is the majority shareholder of Haulotte Group S.A., with 54.67% of the share capital at 31 December 2013.

Solem paid to Haulotte Group S.A. income of €30 thousand in 2013 and €30 thousand in 2012, and invoiced charges of €608 thousand in 2013 and €644 thousand in 2012 corresponding to the expenses incurred for the Group by two Directors as described in the note below.

In 2013 Telescopelle paid €61 thousand to Solem (€55 thousand in 2012) under the terms of a financial recovery clause following a debt waiver granted on 31 December 2001 for €1,220 thousand. The debt waiver balance for which the payment is expected amounted to €794 thousand at 31 December 2013.

46.2. Fees allocated to directors and officers

Amounts allocated to Board members paid by the Group totalled €608 thousand for 2013 and €644 thousand for 2012. This whole amount corresponds to short term advantages (fix and variable wages).

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

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

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

NOTE 47 - OFF-BALANCE SHEET COMMITMENTS

Commitments given	31/12/2013	31/12/2012
Repurchase commitments*	2 773	3 540
Portion of balance sheet debt secured by collateral**	42 998	88 340
Commitments given under repayment clauses	794	855

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

(**) : Pledging of Haulotte Group S.A. goodwill, Haulotte UK and Equipro Inc. shares, current account between Haulotte Group S.A. and Haulotte US for US$30 000 thousand.

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

31/12/2013	Gross	Less than 1 year	1 to 5 years	More than 5 years
Repurchase commitments	2 773	2 526	247	-
Portion of balance sheet debt secured by collateral	42 998	27 998	15 000	-

31/12/2012	Gross	Less than 1 year	1 to 5 years	More than 5 years
Repurchase commitments	3 540	3 153	380	7
Portion of balance sheet debt secured by collateral	88 340	88 340	-	-

NOTE 48 - POST CLOSING EVENTS

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

NOTE 49 - OFF BALANCE SHEET COMMITMENTS IN CONNECTION WITH ENTITLEMENTS TO INDIVIDUAL TRAINING BENEFITS (DIF)

	31/12/2013	31/12/2012
DIF (expressed in hours)	57 396	55 727

NOTE 50 - AVERAGE NUMBER OF EMPLOYEES

	31/12/2013	31/12/2012
Average headcount for the year	1 432	1 527
of which average headcount for discontinued operations		*110*

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

Haulotte Group SA
L'Horme

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

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

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

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

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at year-end and of the results of its consolidated operations for the year then ended in accordance with IFRS as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

The accounting estimates used in the preparation of consolidated financial statements
December 31, 2013 were carried out in a still uncertain economic climate that makes it difficult to assess business prospects as mentioned in Note 3.2.2.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

It is in this context that, in accordance with the provisions of article L.823-9 of the French commercial code relating to the justification of our assessments, that the following emphasis of matter paragraphs are included below:

Accounting estimates
Note 3.2.1 to the Consolidated Financial Statements describes the significant estimates and judgments made by management. Our work consisted in assessing the data and assumptions on which these judgments and estimates, comparing the accounting estimates of prior periods with actual results , examining the procedures for approving these estimates by management and ensure that notes to the financial statements provide appropriate information on the assumptions and options adopted by the Group.
In addition, the Group systematically performs an impairment test of goodwill at the end of each reporting period as described in notes 4.1 and 9. We have examined how this impairment test was conducted as well as cash flow forecasts and assumptions used, and we verified that Notes 4.1 and 9 provide appropriate information.

Accounting policies
Note 4.6 on receivables present the accounting methods applied to sales for which Haulotte Group provides guarantees to financial institutions in order to promote the funding of its customers. Our work consisted in ensuring that this note provides appropriate information and to verify the proper implementation of accounting treatments statements. As such, we examined the procedures established by Haulotte Group to identify relevant contractual commitments; we obtained external confirmations of financial institutions and checked on a sample basis the correct accounting treatment of these transactions.
The assessments were made in the context of our audit of the consolidated financial statements taken as a whole process, and therefore contributed to the formation of our opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified in the information presented in the Group's management report.
We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Lyon and Paris, 25 April 2014
The Statutory Auditors

PricewaterhouseCoopers Audit

Elisabeth L'hermite

Hoche Audit

Dominique Jutier