CONSOLIDATED FINANCIAL STATEMENTS 2014

Haulotte GROUP

More than lifting

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

> CONSOLIDATED BALANCE SHEET - ASSETS

In thousands of euros

	Note	31/12/2014	31/12/2013
Goodwill	9	16,393	15,133
Intangible assets	10	13,110	9,128
Property, plant and equipment	11	55,116	54,561
Investment in affiliates	12	7,261	-
Financial assets	13	2,475	2,200
Deferred tax assets	29	15,464	15,788
Trade receivables from financing activities exceeding one year	15	7,354	10,604
Other non current assets	-	-	-
NON CURRENT ASSETS (A)		**117,173**	**107,414**
Inventory	14	108,101	90,592
Trade receivables	15	105,252	66,734
Trade receivables from financing activities due in less than one year	15	6,319	5,571
Other assets	16	21,120	15,493
Cash and cash equivalents	20	19,978	18,548
Financial derivative instruments	21	2,213	1,945
CURRENT ASSETS (B)		**262,983**	**198,883**
TOTAL ASSETS (A+B)		**380,156**	**306,297**

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

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

> CONSOLIDATED BALANCE SHEET - LIABILITIES

In thousands of euros

	Note	31/12/2014	31/12/2013
Share capital	22	4,058	4,058
Share premiums	22	92,043	92,043
Consolidated reserves and income		100,590	76,162
SHAREHOLDERS'EQUITY BEFORE MINORITY INTERESTS (A)		**196,691**	**172,263**
Minority interests (B)		(464)	(441)
TOTAL EQUITY		**196,227**	**171,822**
Long-term borrowings	23	75,652	25,275
Deferred tax liabilities	29	11,062	8,131
Provisions	25	4,328	3,267
NON-CURRENT LIABILITIES (C)		**91,042**	**36,673**
Trade payables	27	43,710	32,200
Other current liabilities	28	22,345	21,486
Current borrowings	23	18,418	34,842
Provisions	25	8,367	8,801
Financial derivative instruments	21	48	473
CURRENT LIABILITIES (D)		**92,888**	**97,802**
LIABILITIES AND SHAREHOLDERS'EQUITY (A+B+C+D)		**380,156**	**306,297**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

> CONSOLIDATED INCOME STATEMENT

In thousands of euros

	Note	31/12/2014		31/12/2013	
CONTINUING OPERATIONS					
Sales and revenue	31	412,576	100%	342,735	100.0%
Cost of sales	32	(304,432)	-73.8%	(254,346)	-74.2%
Selling expenses		(26,649)	-6.5%	(23,654)	-6.9%
General and administrative expenses	33	(43,158)	-10.5%	(40,984)	-12.0%
Research and development expenditures	34	(6,665)	-1.6%	(5,868)	-1.7%
Exchange gains and losses	35	8,082	2.0%	(4,785)	-1.4%
CURRENT OPERATING INCOME		**39,754**	**9.6%**	**13,098**	**3.8%**
Other operating income and expenses	38	(1,954)	-0.5%	(2,071)	-0.6%
OPERATING INCOME for CONTINUING OPERATIONS		**37,800**	**9.2%**	**11,027**	**3.2%**
Share of profit of affiliates	12	237		-	0.0%
«OPERATING INCOME FOR CONTINUING OPERATIONS AFTER SHARE OF PROFIT OF AFFILIATES»		**38,037**	**9.2%**	**11,027**	**3%**
Cost of net financial debt	39	7		(2,199)	-0.6%
Other financial income and expenses		(11)		56	
INCOME BEFORE TAXES for CONTINUING OPERATIONS		**38,033**	**9.2%**	**8,884**	**2.6%**
Income tax	40	(9,079)	-2.2%	(7,804)	-2.3%
NET INCOME for CONTINUING OPERATIONS		**28,954**	**7.0%**	**1,080**	**0.3%**
DISCONTINUED OPERATIONS					
NET INCOME FOR DISCONTINUED OPERATIONS	30	**-**		**8,010**	
NET INCOME		**28,954**		**9,090**	
attributable to equity holders of the parent		28,969		9,095	
attributable to minority interests		(15)		(5)	
Net earnings per share	42	**0.99**		**0.31**	
Net diluted earnings per share	42	**0.99**		**0.31**	

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

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

> CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros

	Note	31/12/2014	31/12/2013
Profit / (loss) for the year		28,954	9,090
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS			
Currency translation differences for cash items relating to net investments in foreign operations		6,308	(12,088)
Currency translation differences from financial statements of subsidiaries		(3,945)	(245)
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS			
Actuarial gains and losses on employee benefits	26	(834)	(143)
Income tax	29	(1,894)	3,647
Net income / (expense) recognised directly in equity		**(365)**	**(8,829)**
Total consolidated comprehensive income		**28,589**	**261**
attributable to equity holders of the parent		28,612	281
attributable to minority interest		(23)	(20)

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

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

> CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Note	31/12/2014	31/12/2013
Net income for continuing and discontinued operations		**28,954**	**1,080**
Depreciation and amortisation		13,380	15,224
Change in provisions (except for current assets)		(412)	1,238
Change in financial derivative instruments fair value		(694)	(1,343)
Unrealised foreign exchange gains and losses		(3,604)	3,475
Change in deferred taxes		1,367	3,973
Gains and losses from disposals of fixed assets		(1,314)	(2,115)
Share of profit in affiliates		(237)	-
GROSS CASH FLOWS FROM CONTINUING OPERATIONS		**37,440**	**21,532**
Change in operating working capital	44	(46,578)	11,110
Change in receivables from financing activities	45	2,940	(578)
Change in other non current assets		-	-
Cash flows from operating activities of continuing operations		(6,198)	32,064
Cash flows from operating activities of discontinued operations	44	-	3,121
CASH FLOWS FROM OPERATING ACTIVITIES		**(6,198)**	**35,185**
Purchases of fixed assets		(18,385)	(9,999)
Proceeds from the sales of fixed assets, net of tax		4,496	4,675
Impact of changes in scope of consolidation		(7,024)	-
Change in payables on fixed assets		-	(20)
Cash flows from investing activities of continuing operations		(20,913)	(5,344)
Cash flows from investing activities of discontinued operations		-	30,572
CASH FLOWS FROM INVESTING ACTIVITIES		**(20,913)**	**25,228**
Dividends paid to shareholders		(4,406)	
Loans issues		69,420	1,299
Borrowings repayments		(43,998)	(55,934)
Cash flows from financing activities of continuing operations		21,016	(54,635)
Cash flows from financing activities of discontinued operations		-	(288)
CASH FLOWS FROM FINANCING ACTIVITIES		**21,016**	**(54,923)**
NET CHANGE IN CASH AND CASH EQUIVALENT		**(6,095)**	**5,490**
Opening cash and cash equivalents	46	18,263	14,145
Effect of exchange rate changes on continuing activities cash		(413)	(1,328)
Effect of exchange rate changes on discontinued activities cash		-	(44)
Closing cash and cash equivalents	46	11,755	18,263
NET CHANGE IN CASH AND CASH EQUIVALENT		**(6,095)**	**5,490**

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

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

> STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Capital	Share premiums	Conso-lidated 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 2013	**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**
Change in capital of the parent company								-		-
Appropriation of 2013 net income			9,095	(9,095)				-		-
Dividends paid by the parent company			(4,406)					(4,406)		(4,406)
Net income for the period				*28,969*				*28,969*	*(15)*	*28,954*
Net income / (expense) recognised directly in equity						*182*	*(547)*	*(365)*		*(365)*
Total consolidated comprehensive income	-	-	-	28,969	-	182	(547)	28,604	(15)	28,589
Other changes			222					222		222
Balance at 31 December 2014	**4,058**	**92,042**	**149,176**	**28,969**	**(55,655)**	**(20,811)**	**(1,096)**	**196,683**	**(456)**	**196,227**

* Consolidated reserves primarily consist of retained earnings

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

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

> NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

NOTE 1 - GENERAL INFORMATION

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

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

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

The annual consolidated financial statements for the period ended 31 December 2014 and the notes thereto were approved by the Board of Directors of Haulotte Group SA on 10 March 2015. 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 2014 first half, the company entered into discussions with its banks to negotiate the terms of a new syndicated credit facility to replace the previous facility that was set to expire on 31 July 2015. Pursuant to these negotiations, the company:

- Repaid in advance on 30 September 2014 the entire outstanding balance of €75,876 thousand owed under this facility;
- Obtained a new credit facility in effect as from 30 September 2014. Through this facility, Haulotte Group has access to three distinct credit lines:
    - A €18,000 thousand medium-term refinancing facility;
    - A €52,000 thousand revolving credit facility;
    - A €20,000 thousand overdraft facility.

This facility agreement is for three and a half years, maturing on 30 March 2018, with a possibility for an extension for an additional period of 18 months or until 30 September 2019.

Further details on the maturities and the terms and conditions of this facility agreement are provided in note 23.

This renegotiation can be qualified as a debt extinguishment followed by the recognition of a new liability as defined by IAS 39. Therefore, the flows relating to the simultaneous operations, on 30 September 2014, of previous debt repayment for € 75,876 thousand, and draft of the new borrowing for €70,000 thousand, are presented separately in the cash flow statement. Fees and commissions relating to the previous credit contract and not yet amortized at the repayment date (30 Septembre 2014) were fully recorded as financial expenses during the year, for €392 thousand.

In connection with this new credit facility, the company has granted a certain number of guarantees described in note 23 and 48.

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

2.2 Acquisition of Acarlar

On 18 April 2014, Haulotte Group S.A. finalised a transaction with the Acarlar group to acquire 50% of the shares of the company holding the aerial work platform distribution business based in Turkey for US$9.5 million (or €7 million).

Interests owned in this company comply with the general definition of joint control as per IFRS 11. Consequently, this entity is consolidated using the equity method, in compliance with IAS28 revised, from the date of acquisition, 18 April 2014.

Details on equity shares are disclosed in note 12.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Statements of compliance

As a publicly traded company listed in the European Union and in accordance with EC regulation 1606/2002 of 19 July 2002, the Group's consolidated financial statements for fiscal year ended 31 December 2014 have been prepared according to IFRS (International Financial Reporting Standards) as adopted by the European Union on 31 December 2014.

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 2014

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014 :

Standard or interpretation	Nature of change expected on accounting principles and methods	Impact of Haulotte Group's first-time application
IAS 27 revised - Individual financial statements (05/11)	This standard establishes the principles for preparing individual financial statements.	No impact for Haulotte Group
IAS 28 revised - 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).	The acquisition described in the note 2.2. has been accounted for in compliance with standard

Standard or interpretation	Nature of change expected on accounting principles and methods	Impact of Haulotte Group's first-time application
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».	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
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 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.	No impact 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.	The acquisition described in the note 2.2. has been accounted for in compliance with standard
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.	The acquisition described in the note 2.2. has been accounted for in compliance with standard
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	No impact for Haulotte Group

New standards, amendments or interpretations applicable in advance

The Group did not anticipate adoption of IFRIC 21 which was already adopted by the European Union at closing date and applicable to year opened after 1 January 2014, but may be anticipated as it represents an interpretation of texts already adopted by the European Union. The Group however does not expect any significant impact of this text on its financial statements.

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.

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 2014 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 2014 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 2014 was marked by sales growth in all the Group's geographical markets except Latin America and all business lines. Sales volumes nevertheless remain sensitive to uncertainties with respect to the macro-economic environment and consequently to market aleas. Despite an economic and politic environment remaining uncertain, the start of 2015, supported by the Euro/US dollar parity favourable for European manufacturers, seem to confirm positive trends observed in previous year on Asian, European and North American markets.

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 23, the Group syndicated loan was renegotiated during the year, extending the maturity of the debt until 31 March 2018.

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 2014 compared with cash forecasts for the first few months of 2015, there are no reasons that would call into question the Group's ability to ensure its liquidity. The next repayment term of the syndicated loan, for an amount of € 3,000 thousand, will be 30 March 2016.

3.3 Consolidation

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

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

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

3.4 Intercompany balances and transactions

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

3.5 Foreign currency translation of foreign subsidiaries financial statement

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

Financial statements of foreign subsidiaries are measured using the functional currency, 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	
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 15) reflect past transactions that have not yet been settled.

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 taxess

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 ended up with the renegotiation of the syndicated loan contract, as described in the note 2.1. At 31 December 2014, all ratios are respected.

At 31 December 2014, the level of cash ressources – including cash in hand as disclosed in the Group's financial statements, as well as syndicated credit lines not yet drafted as well as some other bilateral overdraft credit lines not drafted – does not call into question the Group's liquidity for the next fiscal year.

As indicated in notes 2.1. and 23, the next contractual instalment of €3,000 thousand will happen on 30 March 2016.

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 expenditure

Research expenditures are expensed in the period they are incurred.

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

6.6 Other operating income and expenses

This heading includes:

- gains or losses from disposals (excluding those by rental companies treated as sales of second-hand equipment and recognised consequently under revenue),

- amortisation of capitalised development expenditures,
- income or expenses related to litigations of an unusual, abnormal or infrequent nature,
- impairment losses on goodwill.

6.7 Operating income

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

6.8 Cost of net financial debt

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

6.9 Other financial income and expenses

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

6.10 Earnings per share

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

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

NOTE 7 - SCOPE OF CONSOLIDATION

Companies consolidated at 31 December 2014 are :

Entity	Country	Interest %	Consolidation method at 31 December 2014	Consolidation method at 31 December 2013
Haulotte Group S.A.	France	Parent		
Haulotte France Sarl	France	99.99%	Full consolidation	Full consolidation
Haulotte Services France	France	99.99%	Full consolidation	Full consolidation
TELESCOPELLE S.A.S	France	100%	Full consolidation	Full consolidation
ACARLAR DIS TICARET VE MAKINA SANAYI A.S.	Turkey	50%	Equity method	-
Haulotte Access Equipment Manufacturing (Changzhou) Co., Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte Argentina S.A.	Argentina	95%	Full consolidation	Full consolidation
Haulotte Arges S.R.L.	Romania	100%	Full consolidation	Full consolidation
Haulotte Australia Pty. Ltd.	Australia	100%	Full consolidation	Full consolidation
Haulotte Cantabria S.L.	Spain	100%	Full consolidation	Full consolidation
Haulotte Chile SPA	Chili	100%	Full consolidation	Full consolidation
Haulotte Do Brazil LTDA	Brazil	99.98%	Full consolidation	Full consolidation
Haulotte Hubarbeitsbühnen GmbH	Germany	100%	Full consolidation	Full consolidation
Haulotte Iberica S.L.	Spain	98.71%	Full consolidation	Full consolidation
Haulotte Italia S.R.L.	Italy	99%	Full consolidation	Full consolidation
Haulotte India Private Ltd.	India	99.99%	Full consolidation	Full consolidation
Haulotte Mexico SA de CV	Mexico	99.99%	Full consolidation	Full consolidation
Haulotte Middle East FZE	Dubaï	100%	Full consolidation	Full consolidation
Haulotte Netherlands B.V.	Netherlands	100%	Full consolidation	Full consolidation
Haulotte Polska SP Z.O.O.	Polska	100%	Full consolidation	Full consolidation
Haulotte Portugal, plataformas de elevaçao, Unipessoal, LDA	Portugal	98.71%	Full consolidation	Full consolidation
Haulotte Scandinavia AB	Sweden	100%	Full consolidation	Full consolidation
Haulotte Services SA de CV	Mexico	99.99%	Full consolidation	Full consolidation
Haulotte Singapore Ltd.	Singapore	100%	Full consolidation	Full consolidation
Haulotte Trading (Shanghai) co. Ltd.	China	100%	Full consolidation	Full consolidation
Haulotte UK Limited	UK	100%	Full consolidation	Full consolidation
Haulotte U.S., INC.	United States	100%	Full consolidation	Full consolidation
Haulotte Vostok	Russia	100%	Full consolidation	Full consolidation
Horizon High Reach Chle SPA	Chili	100%	Full consolidation	Full consolidation
Horizon High Reach Limited	Argentina	100%	Full consolidation	Full consolidation
Levanor Maquinaria de Elevacion S.A.	Spain	91%	Full consolidation	Full consolidation
Mundilevaçao, Aluger e Transporte de Plataformas LDA	Portugal	81.90%	Full consolidation	Full consolidation
NO.VE. S.R.L.	Italy	100%	Full consolidation	Full consolidation
N.D.U Maquinaria y Plataformas Elevadoras, S.L.	Spain	98.71%	Full consolidation	Full consolidation

Bil Jax, Inc.	United States	100%	Full consolidation	Full consolidation
Equipro, Inc.	United States	100%	Full consolidation	Full consolidation
Bil Jax Service, Inc.	United States	100%	Full consolidation	Full consolidation
Seaway Scaffold & Equipment	United States	100%	Full consolidation	Full consolidation
Scaffold Design & Erection	United States	100%	Full consolidation	Full consolidation

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

NOTE 8 - CHANGES IN GROUP STRUCTURE

As described in note 2.2, the Group acquired during the year 50% of the shares of Acarlar, consolidated under the equity method from its acquisition date. Detailed financial information relating to this equity accounting is included in note 12.

NOTE 9 - GOODWILL

At 31 December 2014

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

At 31 December 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**

The change presented in goodwill between the two periods (or -€1,260 thousand) reflects the currency effect on goodwill for Horizon and BilJax.

• « North America » CGU

The last impairment test for the «North America» region considered as a cash generating unit (CGU) was performed on 31 December 2013. A new impairment test was performed on 31 December 2014 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 9.5% (versus 11% in 2013);

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

The conclusion of the new test performed at 31 December 2014 is that no further depreciation is needed, therefore depreciation is maintained at that amount.

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

- sales forecast : a decrease of 6% in the sales forecast used in the discounted cash flow calculations would make the value in use of the CGU equivalent to its carrying value;
- discount rate : a decrease of 1.5 points of the discount rate would lead to equivalence between the value in use of the CGU and its carrying value;
- the long-term growth rate : a decrease of the long term growth rate has no material impact on the conclusion of the impairment test.

• « Rental companies » CGU

For the entity Nove, a test was realized to compare the net book value of rental equipment as per Group books including goodwill 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 2014.

Sensibility analysis carried out shows that no impairment charge would be recorded with a decrease in average market values estimated of up to 3%.

NOTE 10 - INTANGIBLE ASSETS

	31/12/2013	Increase	Decrease	Reclassifications and other changes	Translation adjustment	31/12/2014
Development expenditure	13,070	1,981	-	-	-	15,051
Concessions, patents, licenses	8,767	256	(109)	780	1	9,695
Other intangible and in progress	2,089	4,061	(67)	(776)	-	5,307
Gross value	**23,926**	**6,298**	**(176)**	**4**	**1**	**30,053**
Depreciation / impairment of development expenditure	8,199	933	-	-	-	9,132
Depreciation of concessions, patents, licenses	6,559	1,271	(63)	-	(1)	7,766
Depreciation of other intangibles and in progress	40	11	(7)	(4)	5	45
Accumulated depreciation and impairment	**14,798**	**2,215**	**(70)**	**(4)**	**4**	**16,943**
Net value	**9,128**	**4,083**	**(106)**	**8**	**(3)**	**13,110**

The depreciation of development expenditure of € 933 thousand is included under the line item « Research and development expenditure » of the income statement.

NOTE 11 - TANGIBLE ASSETS

	31/12/2013	Increase	Decrease	Reclassifications and other changes*	Translation adjustment	31/12/2014
Land	5,642	531	-	-	95	6,268
Building	41,066	2,767	-	36	1,200	45,069
Plant machinery	28,975	674	(959)	591	664	29,945
Equipment for rental	33,597	6,492	(11,406)	2,750	(166)	31,267
Other PPE	11,168	937	(821)	212	431	11,927
Fixed assets in progress	866	401	(9)	(847)	20	431
Gross value	**121,314**	**11,802**	**(13,195)**	**2,742**	**2,244**	**124,907**
Depreciation/impairment of building	16,299	3,222	-	-	719	20,240
Depreciation/impairment of plant machinery	21,550	1,844	(834)	-	561	23,121
Depreciation/impairment of equipment for rental	20,475	5,000	(8,275)	-	23	17,223
Depreciation/impairment of other PPE	8,429	1,122	(738)	-	394	9,207
Accumulated depreciation and impairment	**66,753**	**11,188**	**(9,847)**	**-**	**1,697**	**69,791**
Net value	**54,561**	**614**	**(3,348)**	**2,742**	**547**	**55,116**

* : 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 «Buiding» of €2,767 thousand relates mainly to the construction of a new building hosting activities for the distribution subsidiary in Germany, Haulotte Hubarbeitsbühnen GmbH for € 2,476 thousand.

The increase in «Equipment for rental» of €6,492 thousand relates mainly to the acquisition of aerial access equipment by rental companies, and in particular €1 546 thousand for Nove and for a one-off renting activity in certain distribution entities for €3,821 thousand.

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 €3,305 thousand for Nove and Horizon Argentina for €725 thousand. It also includes disposal of the fleet of our Spanish rental subsidiaries, representing a gross value of €1,787 thousand for Levanor and €4,675 thousand for NDU (refer also to note 38).

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 - SHARES IN AFFILIATES

Shares recorded at 31 December 2014 under the equity method correspond to 50% of Acarlar's shares owned by Haulotte Group S.A. for an acquisition value of €7,024 thousand, as described in note 2.2.

At 31 December 2014, including share in profit of the company consolidated under the equity method from 18 April 2014, which is a profit of €238 thousand, the shares in affiliate caption amount to €7,261 thousand.

Summary of financial information for Acarlar (global amount, 100%) at 31 December 2014, in thousand of Euros :

Current assets	4,061
Non-current assets	1,551
Current liabilities	2,688
Non-current liabilities	1,317
Sales*	**7,468**
Net income*	**474**

*for the period from 18 April to 31 December 2014

NOTE 13 - FINANCIAL ASSETS

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

	31/12/2013	Increase	Decrease	Reclassifications	Translation adjustment	31/12/2014
Financial assets	2,200	288	(53)	-	40	2,475

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 14 - INVENTORY

At 31 December 2013	Gross value	Provision	Net value
Raw materials	25,013	(894)	24,119
Work in progress	4,111	(46)	4,065
Semi finished and finished goods	71,526	(3,604)	67,922
Trade goods	14,527	(2,532)	11,995
Total	**115,177**	**(7,076)**	**108,101**

At 31 December 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**

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

The change in inventory of €16,114 thousand on 31 December 2014 versus a decrease of €(17,407) thousand at 31 December 2013 is recognised under the cost of sales in the income statement.

Provisions for inventory impairment losses break down as follows:

	31/12/2013	Increase	Decrease	Translation adjustment	31/12/2014
Provision for inventory impairment losses	8,471	2,118	(3,737)	224	7,076

NOTE 15 - TRADE RECEIVABLES

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

At 31 December 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**

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:

	31/12/2013	Increase	Decrease	Translation adjustment	31/12/2014
Provisions for trade receivables	26,570	2,147	(2,789)	58	25,986

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

			Due		
	Total	Not due	less than 60 days	60 to 120 days	more than 120 days
Net trade receivables 2014	118,925	106,954	6,501	2,193	3,277
Net trade receivables 2013	82,908	76,186	2,045	2,691	1,986

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 16 - OTHER ASSETS

	31/12/2014	31/12/2013
Other current assets	18,049	12,826
Advances and instalments paid on orders	1,306	1,102
Prepaid expenses	1,987	1,789
Depreciation of other current assets	(222)	(224)
Total other current assets	**21,120**	**15,493**
Other non-current assets	-	-
Total other assets	**21,120**	**15,493**

« Other current assets » mainly includes VAT receivables.

NOTE 17 - 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 2014, receivables assigned amounted to €3,510 thousand (€4,116 thousand at 31 December 2013) and resulted in the recognition €2,567 thousand in financial liabilities (€3,162 at 31 Decmeber 2013) that were included under «current financial liabilities» (see also note 23).

NOTE 18 - RECEIVABLES BY MATURITY

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

*Including receivables overdue for € 13,047 thousand (cf. note 14)

At 31/12/13	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).

NOTE 19 - FOREIGN EXCHANGE RISK MANAGEMENT

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

At 31/12/14	EUR	AUD	GBP	USD	BRL	Others	TOTAL
Trade receivables	60,841	8,257	19,777	43,521	3,194	9,321	**144,911**
Trade payables	(31,453)	(317)	(229)	(4,623)	(109)	(6,979)	**(43,710)**
Net amount	**29,388**	**7,940**	**19,548**	**38,898**	**3,085**	**2,342**	**101,201**

At 31/12/13	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**

A 10% increase in the value of the euro against the pound sterling would represent, excluding the impact of hedges, an additional charge in the consolidated financial statements of €1,777 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 €3,536 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 €722 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 €280 thousand.

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NOTE 20 - CASH AND CASH EQUIVALENTS

	31/12/2014	31/12/2013
Cash at bank and in hand	19,968	18,538
Money market funds	10	10
Total	**19,978**	**18,548**

NOTE 21 - DERIVATIVE INSTRUMENTS

All derivative instruments owned by the Group at 31 December 2014 as it was at 31 December 2013 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:

	31/12/2014	31/12/2013
GBP swaps	1,617	612
USD forward sales	184	1,333
USD swaps	412	-
Total	**2,213**	**1,945**

Negative fair value of derivative instruments:

	31/12/2014	31/12/2013
Interest rates swaps	(48)	(79)
USD swaps	-	(395)
Total	**(48)**	**(474)**

NOTE 22 - SHARE CAPITAL AND PREMIUMS

	31/12/2014	31/12/2013
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:

	31/12/2014	31/12/2013
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€	22 991	20 106

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

There was no movement in treasury shares during the years 2013 and 2014. The balances are therefore as follows:

TYPE		2014	2013
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	12.51	10.94

NOTE 23 - BORROWINGS AND FINANCIAL LIABILITIES

	31/12/2014	31/12/2013
Syndicated loan	59,357	14,727
Guarantees given	2,438	2,940
Biljax's credit line	3,148	3,198
Other borrowings	4,636	2,990
Bank loans and borrowings > 1 year	**69,579**	**23,855**
Other loans and borrowings	**6,073**	**1,420**
Non-current financial liabilities	**75,652**	**25,275**
Syndicated loan	(287)	27,527
Guarantees given	1,525	1,344
Biljax's credit line	5,394	1,879
Haulotte France factoring	2,627	3,162
Other borrowings	627	418
Bank loans and borrowings < 1 year	**9,886**	**34,330**
Other borrowings and financial liabilities	**307**	**227**
Syndicated loan	7,555	121
Biljax's credit line	666	134
Other bank overdraft	2	30
Bank overdrafts	**8,223**	**285**
Current financial liabilities	**18,416**	**34,842**
Total borrowings and financial liabilities	**94,068**	**60,117**

The amount outstanding on the syndicated credit facility presented in the financial statements of 31 December 2013 represents balances owed on the credit facility obtained by Haulotte Group from a banking syndicate in 2005, and subsequently modified through successive amendments in 2006, 2009, June 2010 and July 2012.

Once a new syndicated credit facility had been renegotiated, this loan was paid back in full in advance on

30 September 2014 and replaced by the new syndicated credit facility entering into effect on the same date. Through this facility, Haulotte Group will have access to three distinct credit lines:

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

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

- The repayment schedule for the €18 million refinancing facility would then be as follows:
  - €3,000 thousand on 30 March 2016;
  - €3,000 thousand on 30 March 2017;
  - €3,000 thousand on 30 March 2018;
  - €3,000 thousand on 30 March 2019;
  - €6,000 thousand on 30 September 2019.

-The date of maturity for the €52,000 thousand revolving credit facility and the €20,000 thousand overdraft facility would then be 30 September 2019.

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

Movements in the syndicated credit facilities in the 2014 financial period may be summarised as follows:

Movement in the previous syndicated credit facility, repaid on 30 September 2014

		31/12/2013	Net change of the revolving and overdraft lines	Repayment for «excess cash flow» clause - June 2013	Amortization of fees	Prepayment on 30 September 2014	Balance at 31/12/2014
Tranche A	Refinancement of existing debt	-					-
Tranche B	Financing of capital expenditure	26,001		(114)		(25,887)	-
Tranche C	Financing of acquisitions	1,997		(9)		(1,988)	-
Tranche D	Financing of working capital - Revolving 2005	15,000	33,000			(48,000)	-
	Financing of working capital - Revolving 2010						
Total excluding overdrafts		**42,998**	**33,000**	**(123)**		**(75,875)**	**-**
Tranche D	Financing of working capital - Overdraft (1)	121	(121)				-
Commissions and fees		(744)			353	391	-
TOTAL		**42,375**	**32,879**	**(123)**	**353**	**(75,484)**	**-**

Arrangement for a new syndicated credit facility dated 30 September 2014

	31 December 2013	Initial drawing on 30 September 2014	Net change of the revolving credit line	Net change of the bank overdraft	Amortization of fees	Balance at 31 December 2014	Balance available for future drawing on 31 December 2014
Refinancing of existing debt	-	18,000				18,000	
Revolving credit line	-	52,000	(10,000)			42,000	10,000
Total excluding over-drafts	**-**	**70,000**	**(10,000)**			**60,000**	**10,000**
Overdraft	-			7,555		7,555	12,445
Commissions and fees	-	(1,001)			71	(930)	
TOTAL	**-**	**68,999**	**(10,000)**	**7,555**	**71**	**66,625**	**22,445**

All security interests previously granted to the banking syndicate in connection with the previous syndicated credit facility were lifted in full when it was repaid on 30 September 2014. In exchange for the new syndicated credit facility, the following commitments were granted to the new banking syndicate:

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

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

On 31 December 2014, the bank ratios were respected.

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

Translated value in thousands of euros	31/12/2014	31/12/2013
Euros	78,255	50,260
GBP	-	-
USD	9,208	5,211
Others	2,642	362
Total	**90,105**	**55,834**

NOTE 24 - MANAGEMENT OF INTEREST-RATE RISKS

Borrowings, excluding guarantees given, break down as follows:

	31/12/2014	31/12/2013
Fixed rate borrowings	14,939	8,381
Variable rate borrowings	75,166	47,453
Total	**90,105**	**55,834**

A 1% rate increase would result in a maximum additional interest expense, excluding hedges, of €752 thousand.

NOTE 25 - PROVISIONS

	31/12/2013	Allowance	Provision used in the period	Reversal of unused provision	Reclassifi-cations	Other changes	Translation adjustment	31/12/2014
Provisions for product warranty	6,544	3,443	(2,614)	(809)	-	-	85	6,649
Restructuring provision	8	-	-	-		-	-	8
Provisions for litigation	2,234	753	(1,270)	(148)	-		128	1,697
Short-term portion of pensions provisions	15	-	-	-	(2)	-	-	13
Current provisions	**8,801**	**4,196**	**(3,884)**	**(957)**	**(2)**	**-**	**213**	**8,367**
Long-term portion of pensions provi-sions	3,267	417	(194)	-	4	834	-	4,328
Non-current provisions	**3,267**	**417**	**(194)**	-	**4**	**834**	-	**4,328**
Total provisions	**12,068**	**4,613**	**(4,078)**	**(957)**	**2**	**834**	**213**	**12,695**

The product warranty provision remains consistent. Indeed, the fleet increase on the machines under warranty by the Group in link with the growth is offset by decrease in the rate of damages and 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 26.

NOTE 26 - PENSION AND RELATED BENEFITS

Main assumptions used for the valuation of liabilities.

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

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

	31 December 2014	31 December 2013
Turnover rate	Based on historical data available to the Group with no changes between the two periods.	
Rate of wage increases (according to seniority, the projected career profile, collective bargaining agreements, and long-term inflation rates)	2%	2%
Discount rate	1.9%	3%
Retirement age	Employees born before 1 January 1950 Management Supervisors/Office Employees & Workers Employees born after 1 January 1950 Management Supervisors/Office Employees & Workers	 62 years 60 years 65 years 63 years

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

The Group does not hold any plan assets.

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

A general decline in the discount rate of 0.25 points would result in a 4.3% increase in benefit obligations.

Change in accumulated benefit obligations

	31 December 2014	31 December 2013
Present value of the commitment at the beginning of the period	**3,282**	**2,950**
Service costs of the year	347	232
Discount costs	70	62
Subtotal of amounts recognised in profit or loss	***417***	***294***
Benefits paid in the period	(192)	(104)
Subtotal of outflows (benefits and contributions paid by the employer)	***(192)***	***(104)***
Changes in assumptions	643	5
Actuarial (gains) and losses arising from experience adjustments	191	137
Translation adjustments		
Subtotal amounts recognised in other comprehensive income	***834***	***142***
Reclassifications		
Present value of the commitment at the end of the period	**4,341**	**3,282**

Analysis of the expense of the period

	31 December 2014	31 December 2013
Service costs of the year	347	232
Past service costs	-	-
Plan reductions and discontinuations	-	-
Total service costs	***347***	***232***
Discount costs	70	62
Interest income from plan assets	-	-
Total net interest	***70***	***62***
Total expense of the period recognised in the income statement	**417**	**294**

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Breakdown of amounts recognised in Other Comprehensive Income

	31 December 2014	31 December 2013
Actuarial losses and (gains) arising from changes in demographic assumptions		5
Actuarial losses and (gains) arising from changes in financial assumptions	643	
Actuarial (gains) and losses arising from experience adjustments	191	137
Return on plan assets (more than) / less than interest income		
Total amounts recognised in other comprehensive income	**834**	**142**

Total amounts recognised in Other Comprehensive Income

	31 December 2014	31 December 2013
Total amounts recognised in OCI at the beginning of the period	**835**	**693**
Revaluation of net liabilities / assets of the period	835	142
Total amounts recognised in OCI at the end of the period	**1,670**	**835**
Deferred taxes	-	-
Net amounts recognised in OCI at the end of the period	**1,670**	**835**

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NOTE 27 - PAYABLES BY MATURITY

31/12/2014	Amount	Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	79,465	9,886	69,579	-
Including leases obligations and other guarantees	*3,963*	*1,525*	*2,438*	-
Other loans and borrowings	6,380	307	6,073	-
Bank overdrafts	8,223	8,223	-	-
Accounts payable	43,710	43,710	-	-
Other current liabilities	22,345	22,345	-	-
Derivative instruments	48	-	48	-
Total	**160,171**	**84,471**	**75,700**	**-**

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**	**-**

NOTE 28 - OTHER CURRENT LIABILITIES

	31/12/2014	31/12/2013
Down payments received	1,279	2,237
Payables to fixed asset suppliers	10	-
Tax and employee-related liabilities	15,515	10,452
Prepaid income	466	212
Others	5,075	8,585
Total	**22,345**	**21,486**

NOTE 29 - 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 forward are not recognized.

In this context, at 31 December 2014, as at 31 December 2013, 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 €6,419 thousand (€20,079 thousand of tax losses basis) compared to €7,545 thousand (€23,802 thousand of tax losses basis) in December 2013.

The global amount of tax losses carried forward for which no deferred tax assets were recorded amount to €150,831 thousand for the Group at 31 December 2014 (€150,461 thousand at 31 December 2013).

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 2014 is €4,234 thousand (€3,446 thousand at 31 December 2013).

Deferred taxes break down as follows :

	31/12/2014	31/12/2013
Deferred tax assets	**15,464**	**15,788**
relating to consolidation adjustment/consolidation entries	5,673	5,024
relating to tax temporary differences	7,606	6,665
relating to tax losses carried forward	6,419	7,545
impact of the capping of deferred tax assets	(4,234)	(3,446)
Deferred tax liabilities	**(11,062)**	**(8,131)**
relating to consolidation adjustment/consolidation entries	(9,462)	(7,073)
relating to tax temporary differences	(1,600)	(1,058)
Total net deferred taxes	**4,402**	**7,657**

The change in net deferred tax breaks down as follows:

	31/12/2014	31/12/2013
Deferred taxes from adjustments of the fair value of rental equipment	(802)	(776)
Deferred taxes from adjustments on finance leases and back-to-back leases	(31)	(68)
Deferred taxes from provisions of pensions	1,098	778
Deferred taxes from adjustments of internal margins on inventories and fixed assets	3,487	2,957
Deferred taxes from non-deductible provisions	4,520	4,188
Deferred taxes from differences in depreciation periods and R&D costs	(4,492)	(3,707)
Deferred taxes from tax losses	6,419	7,545
Deferred taxes from other consolidation adjustments	(1,882)	34
Deferred taxes from other temporary differences	319	152
Impact of the capping of deferred tax assets	(4,234)	(3,446)
Total	**4,402**	**7,657**

The change in net deferred tax breaks down as follows:

	31/12/2014	31/12/2013
Opening net balance	**7,657**	**7,608**
Income / (loss) from deferred taxes relating to continuing activities	(1,367)	(4,004)
Income / (loss) from deferred taxes relating to discontinued activities	-	(49)
Deferred taxes recognised in other comprehensive income	(1,894)	3,647
Translation adjustment	(350)	(249)
Other changes	356	704
Closing net balance	**4,402**	**7,657**

NOTE 30 - 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 and included in 2013 the rental activities in UK, disposed of on 28 June 2013.

	31/12/2014	31/12/2013	
Sales and revenue	-	11,042	100 %
Cost of sales	-	(8,074)	-73 %
Selling expenses	-	(915)	-8 %
General and administrative expenses	-	(1,934)	-18 %
Research and development expenditures	-	-	
Exchange gains and losses	-	-	
CURRENT OPERATING INCOME	**-**	**119**	1%
Other operating income and expenses	-	8,600	78%
OPERATING INCOME	**-**	**8,719**	79%
Cost of net financial debt	-	(660)	-6%
Other financial income and expenses			
INCOME BEFORE TAXES	**-**	**8,058**	73%
Income tax	-	(48)	
NET INCOME	**-**	**8,010**	73%

The other operating income and expenses consisted at 31 December 2013 of the profit on the disposal of the UK renting activity.

NOTE 31 - SALES AND REVENUE FOR CONTINUING OPERATIONS

Note 43 on segment reporting provides with details on sales and revenue.

NOTE 32 - COST OF SALES FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Production cost of sales	(299,206)	(248,919)
Change in inventory provisions	1,977	2,095
Warranty costs	(7,203)	(7,522)
Total	**(304,432)**	**(254,346)**

NOTE 33 - GENERAL AND ADMINISTRATIVE EXPENSES FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Administrative expenses	(29,898)	(27,908)
Amortisation of development expenditures	(913)	(687)
Management expenses	(10,389)	(10,175)
Others	(1,958)	(2,214)
Total	**(43,158)**	**(40,984)**

NOTE 34 - RESEARCH AND DEVELOPMENT EXPENDITURES FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Development expenditures recognised as intangible assets	1,980	1,459
Amortisation of development expenditures	(932)	(727)
Research tax credit	1,407	291
Development expenditures	(9,120)	(7,521)
Total	**(6,665)**	**(5,868)**

NOTE 35 - EXCHANGE GAINS AND LOSSES FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Realised exchange gains and losses	3,295	(1,023)
Unrealised exchange gains and losses	4,787	(3,762)
Total	**8,082**	**(4,785)**

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

NOTE 36 - EXPENSES BY NATURE OF CURRENT OPERATING INCOME FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Purchases of raw materials and other consumables	(215,733)	(180,463)
External charges	(79,132)	(69,860)
Taxes and related items	(4,540)	(5,280)
Staff costs	(72,089)	(65,279)
Net depreciation, impairment and provisions	(9,107)	(9,419)
Currency gains and losses	8,082	(4,785)
Other operating income and expenses	(302)	5,449
Total	**(372,822)**	**(329,637)**

NOTE 37 - STAFF COSTS FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Salaries and wages	(52,986)	(48,479)
Social security and related expenses	(18,147)	(16,769)
Employee profit-sharing	(885)	(7)
Pensions costs	(71)	(24)
Total	**(72,089)**	**(65,279)**

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

NOTE 38 - OTHER OPERATING INCOME AND EXPENSES FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Net proceeds from the sale of rental assets in Spain	873	-
Net proceeds from other asset disposals	(95)	2,486
Cost of litigation net of increases/ decreases in provisions	(1,324)	(1,156)
Tax and customs audits	-	(200)
Impairment of goodwill	-	(3,764)
Depreciation of land and building of the Spanish distribution subsidiary	(1,500)	-
Miscellaneous adjustments for prior periods	147	588
Others	(55)	(26)
Total	**(1,954)**	**(2,071)**

NOTE 39 - COST OF NET FINANCIAL DEBT FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Interest expenses and fees on loans and bank overdrafts	(2,574)	(3,544)
Cost of transfers of financial assets	(216)	(218)
Interests on leasing contracts	(122)	451
Change in the fair value of financial derivative instruments	1,851	1,112
Gains on realization of financial instruments	1,068	-
Total	**7**	**(2,199)**

NOTE 40 - CORPORATE INCOME TAX FOR CONTINUING OPERATIONS

	31/12/2014	31/12/2013
Current tax	(7,712)	(3,827)
Deferred tax	(1,367)	(3,977)
Total	**(9,079)**	**(7,804)**

Haulotte Group SA is the head of a French tax consolidation that included on 31 December 2014, Haulotte France S.A.R.L, Haulotte Services and Telescopelle S.A.S.

Haulotte US Inc is the head of a US tax consolidation that included on 31 December 2014, Equipro Inc. and its subsidiaries.

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

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NOTE 41 - EFFECTIVE INCOME TAX RECONCILIATION

The difference between the effective tax rate of 23.87 % (46.34 % in December 2013) and the standard rate applicable in France of 34.43 % breaks down as follows:

	31/12/2014		31/12/2013	
Consolidated income before tax	38,033		16,944	
Tax (Income)/ Expense calculated at the tax rate applicable to the parent company's profit	**13,095**	**34.43%**	**5,834**	**34.43%**
Effect of differential in tax rates	(2,842)		(2,782)	
Effect of permanently non-deductible expenses or non-taxable income	(908)		(5,915)	
Effect of use of loss carry forwards previously not recognised	(61)		(277)	
Effect of tax assets not recognised	500		834	
Effect of the elimination of internal transactions on equity investments	(1,375)		7,379	
Effect of loss carry forwards not recognised	(328)		2,262	
Effect of tax consolidation and income tax credits	(794)		(620)	
Effect of the reversal of unused deferred tax assets	502		113	
Tax relating to previous years	274		(195)	
Others	1,016		1,220	
Effective tax (Income)/ Expense	**9,079**	**23.87%**	**7,853**	**46.34%**

NOTE 42 - 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.

In Euros	31/12/2014	31/12/2013
Net income for the Group in thousands of euros	**28,969**	**9,095**
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	**0.99**	**0.31**
- diluted	**0.99**	**0.31**

NOTE 43 - SEGMENT REPORTING

43.1. Sales breakdown

Sales by business segment	31/12/2014	%	31/12/2013	%
Sales of handling and lifting equipment	348,981	85	284,470	83
Rental of handling and lifting equipment	23,016	6	22,210	6
Services (1)	40,579	10	36,054	11
Consolidated sales	**412,576**	**100**	**342,735**	**100**

(1) mainly spare parts, repairs and financing

Sales by geographic segment	31/12/2014	%	31/12/2013	%
Europe	247,051	60	204,319	60
North America	62,485	15	48,941	14
Latin America	41,732	10	55,889	16
Asia Pacific	61,308	15	33,586	10
Consolidated sales	**412,576**	**100**	**342,735**	**100**

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

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43.2. Main indicators by business segment

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

31 December 2014	Manufacturing and Sale of equipment	Equipment rental	Services and financing	Others	Total
Income statement highlights					
Segment's revenue	*352,429*	*24,451*	*41,157*	-	*418,037*
Inter-segment revenue	*3,448*	*1,435*	*578*	-	*5,461*
Revenue from external customers	348,981	23,016	40,579	-	412,576
Operating profit	13,494	14,347	7,841	2,118	37,800
Assets					
Fixed assets	39,675	17,019	3,973	26,427	87,094
including goodwill	*12,296*	*4,097*	-	-	*16,393*
including intangible assets	*5,887*	*25*	*41*	*7,157*	*13,110*
including tangible assets	*21,489*	*12,897*	*3,890*	*16,840*	*55,116*
including financial assets	*3*	-	*42*	*2,430*	*2,475*
Trade receivables from financing activities	-	-	13,673	-	13,673
Including receivables from financing activities at more than one year	-	-	*7,354*	-	*7,354*
Including receivables from financing activities due within one year	-	-	*6,319*	-	*6,319*
Inventories	98,677	359	9,120	*(55)*	108,101
Trade receivables	70,467	7,630	26,040	1,115	105,252
Liabilities					
Trade payables	8,276	1,461	6,752	27,221	43,710
Bank borrowings	17,395	112	3,963	72,600	94,070
Other information					
Depreciation and impairment charge in the period	10,011	3,308	100		13,419

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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

43.3. Main indicators by geographic segment

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

31 December 2014	Europe	North America	Latin America	Asia Pacific	Others	Total
Income statement highlights						
Segment's revenue	*295,310*	*64,209*	*42,605*	*71,866*	-	*473,990*
Inter-segment revenue	*48,259*	*1,724*	*873*	*10,558*	-	*61,414*
Revenue from external customers	247,051	62,485	41,732	61,308	-	412,576
Operating profit	32,811	3,851	(576)	3,600	(1,886)	37,800
Assets						
Fixed assets	57,898	22,361	5,415	1,420	-	87,094
including goodwill	*2,581*	*12,296*	*1,516*	-	-	*16,393*
including intangible assets	*13,149*	-	*(46)*	*7*	-	*13,110*
including tangible assets	*40,198*	*10,056*	*3,813*	*1,049*	-	*55,116*
including financial assets	*1,970*	*9*	*132*	*364*	-	*2,475*
Trade receivables from financing activities	11,616	1,639	-	418	-	13,673
Including receivables from financing activities at more than one year	*5,946*	*1,184*	-	*224*	-	*7,354*
Including receivables from financing activities due within one year	*5,670*	*455*	-	*194*	-	*6,319*
Inventories	64,323	24,689	8,226	10,863	-	108,101
Trade receivables	56,276	10,473	9,884	28,619	-	105,252
Liabilities						
Trade payables	35,123	2,762	275	5,550	-	43,710
Bank borrowings	84,538	9,209	110	213	-	94,070
Other information						
Depreciation and impairment charge in the period	9,691	2,112	1,345	271	-	13,419

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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

Notes 44 to 46 provide with information regarding the cash flow statement.

NOTE 44 - ANALYSIS OF CHANGE IN WORKING CAPITAL

For continuing operations :

	31/12/2014	31/12/2013
Change in inventories	(15,561)	12,201
Change in provision for inventories	(1,445)	(1,564)
Change in trade receivables	(35,379)	7,696
Change in provision for trade receivables	32	(330)
Charge in trade payables	10,767	812
Change in other assets and liabilities	(4,992)	(7,705)
Change in operating working capital of continuing operations	**(46,578)**	**11,110**

For discontinued operations :

	31/12/2014	31/12/2013
Change in inventories	-	-
Change in provision for inventories	-	-
Change in trade receivables	-	(568)
Change in provision for trade receivables	-	93
Charge in trade payables	-	1,233
Change in other assets and liabilities	-	(522)
Change in operating working capital of discontinued operations	**-**	**236**

NOTE 45 - ANALYSIS OF CHANGE IN RECEIVABLES FROM FINANCING ACTIVITIES

	31/12/2014	31/12/2013
Change in gross value	3,175	(410)
Change in provisions	(235)	(168)
Change in receivables from financing activities	**2,940**	**(578)**

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 46 - CASH COMPONENTS

	31/12/2014	31/12/2013
Cash on hand and deposit accounts	19,968	18,538
Money market funds and negotiable instruments	10	10
Cash and cash equivalent - balance sheet	**19,978**	**18,548**
Bank overdrafts	(8,223)	(285)
Cash and cash equivalent - cash flow statement	**11,755**	**18,263**
of which cash and cash equivalent as in the cash flow statements for continuing operations	11,755	18,263
of which cash and cash equivalent as in the cash flow statements for discontinued operations	-	-

NOTE 47 - NFORMATION ON RELATED PARTIES

47.1. 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 2014.

Solem paid to Haulotte Group S.A. income of €12,397 thousand in 2014 and €30 thousand in 2013, and invoiced charges of €713 thousand in 2014 and €608 thousand in 2013 corresponding to the expenses incurred for the Group by two Directors as described in the note below.

In 2014 Telescopelle paid €53 thousand to Solem (€61 thousand in 2013) 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 €741 thousand at 31 December 2014.

47.2. Fees allocated to directors and officers

Amounts allocated to Board members paid by the Group totalled €624 thousand for 2014 and €608 thousand for 2013. This whole amount corresponds to short term advantages (fix and variable wages).

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

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

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

NOTE 48 - OFF-BALANCE SHEET COMMITMENTS

Commitments given	31/12/2014	31/12/2013
Repurchase commitments*	327	2,773
Portion of balance sheet debt secured by collateral**	60,000	42,998
Commitments given under repayment clauses	741	794
Commitments given by Haulotte Group SA to GE Capital for the benefit of Haulotte US***	5,000	-
Other commitments****	2,000	-

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

(**) : At 31 December 2014, in exchange for the new syndicated credit facility, as described in notes 2.1. and 23 : pledge of the Haulotte Group S.A. business and of Haulotte France securities, pledge of the current account balance between Haulotte Group S.A. and Haulotte US in the amount of US$50,000 thousand and pledge of the current account balance between Haulotte Group S.A. and Haulotte Australia in the amount of AUD 10,000 thousand.

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

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

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

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

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	-

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

	31/12/2014	31/12/2013
DIF (expressed in hours)	58,607	57,396

NOTE 50 - AVERAGE NUMBER OF EMPLOYEES

	31/12/2014	31/12/2013
Average Headcount for the year	1,535	1,432

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

To the Shareholders
Haulotte Group SA
L'Horme

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

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

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

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

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 as at 31 December 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

II. JUSTIFICATION OF OUR ASSESSMENTS

Accounting estimates used for the preparation of the consolidated financial statements for the year ended 31 December 2014 were made in an economic context of continuing difficulty in assessing the economic outlook as described in Note 3.2.2.

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

Accounting estimates

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

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

Accounting policies

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

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

III. SPECIFIC VERIFICATION

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

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

Paris and Lyon, on 29 April 2015
The statutory auditors

PricewaterhouseCoopers Audit
Natacha Pélisson

Hoche Audit
Dominique Jutier