HANDLING YOUR WORLD

2018 ANNUAL REPORT

HANDLING YOUR WORLD

Material handling is the heart of Manitou Group's business and a field it is truly committed to with regard to all its stakeholders.

Knowledge and expertise enable Manitou Group to respond to all material handling requirements, whatever the country, terrain or application.

By making its customers' world, and by extension the entire world, its field of operation, Manitou clearly asserts its leadership and desire to offer solutions and services that create value for its customers.

CONTENTS

FIRMLY FOCUSED ON THE FUTURE

The Manitou group offers innovative solutions throughout the world.

80% of sales outside of France

1.9 €BN Net sales 2018

28 companies

Capital held at **64%** by the founding families

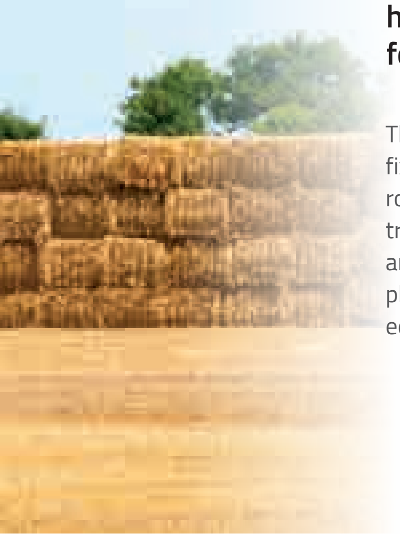
4 400 employees worldwide

11 production sites

listed on the Paris Stock Exchange

MANITOU GEHL MUSTANG BY MANITOU

Three brands distributed by 1 500 dealers in 140 countries



The Manitou group is a global market leader in rough-terrain material handling. It designs, manufactures, distributes and services equipment for the construction, agriculture and industrial sectors.

The group's product ranges include rough-terrain fixed, rotating and heavy-duty telehandlers, rough-terrain, semi-industrial and industrial forklift trucks, wheeled or tracked skid-steer loaders, articulated loaders, backhoe loaders, aerial work platforms, truck-mounted forklifts, warehousing equipment and attachments.

With its iconic brands, Manitou, Gehl and Mustang by Manitou and its network of 1 500 dealers worldwide, the group offers the best solutions while maximizing value for its customers.
With its head office in France, the group recorded sales of 1.9 billion euros across 140 countries in 2018, and employs 4 400 people committed to customer satisfaction.

MISSION

The mission of the Manitou group is to improve working conditions, safety and efficiency all around the world. The group designs, manufactures, distributes and services products and solutions for the material handling, access equipment and compact earthmoving activities that work smarter, faster, safer and cost effectively.

1958 Marcel Braud conceives the idea of the Manitou truck.

1972 The Group enters foreign markets.

1981 The first Manitou telehandler launches.

1984 Manitou is listed on the stock exchange.

1993 The first MRT rotating telehandlers launch.

1993 The first range of aerial work platforms launches.

2008 Takeover of the American company Gehl.

2010 Gehl and Mustang articulated loaders launch.

2013 Yanmar partnership consolidated as Yanmar becomes a group shareholder with a 6.26% stake.

2014 Michel Denis is appointed President and CEO.

2015 Manitou sells its 500 000th machine worldwide.

2016 Manitou Group inaugurates a new production site in Brazil.

2017 Terex Equipment India takeover (backhoe loaders and skid-steer loaders).

2017 A majority holding taken in LiftRite (Distributor in Australia).

2018 Columba Leadership Trust acquires a 26% stake in Manitou Southern Africa.

2018 An R&D Test Center opens in Ancenis, France.

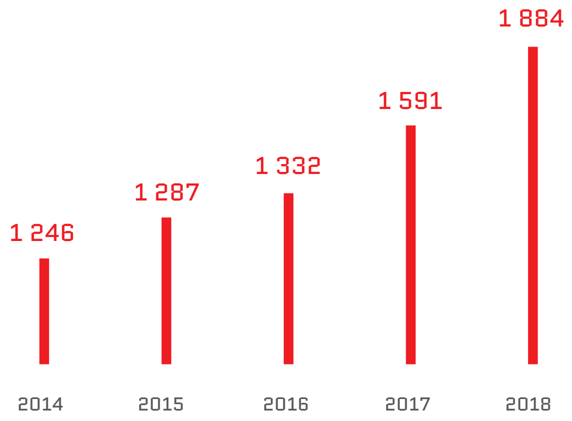
2018 The Mustang brand becomes Mustang by Manitou.

2018 Aerial work platforms and industrial forklift trucks launch in the USA.

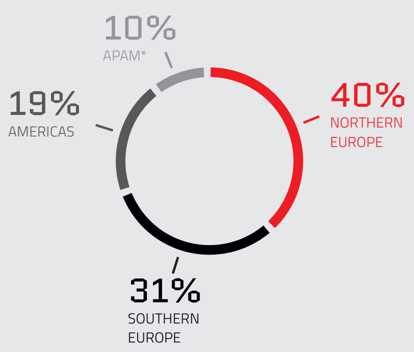
2018 The Manitou group presents the world's first electric telehandler prototype.

2018 The Manitou brand celebrates its 60th anniversary.

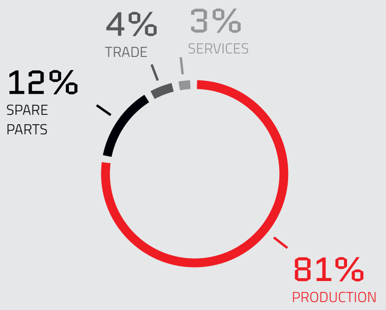
KEY FIGURES



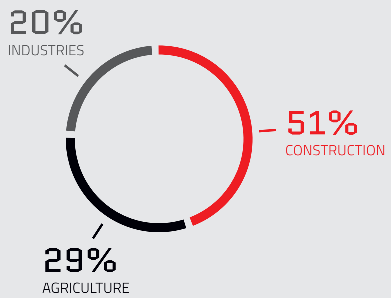
SALES (IN €M)



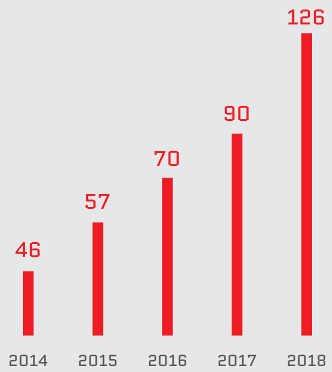
SALES BY GEOGRAPHIC AREA



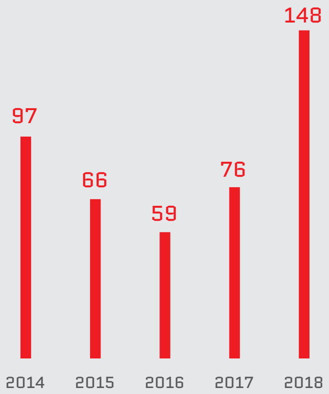
SALES BY TYPE



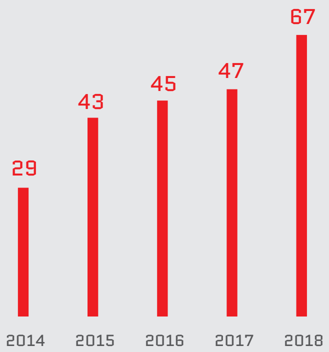
SALES BY MARKET



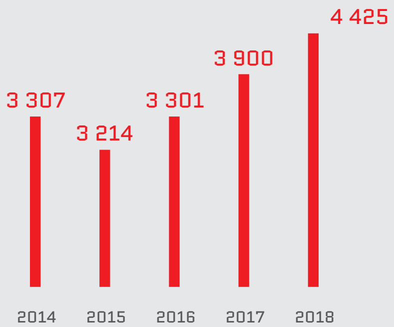
OPERATING RESULT (IN €M)



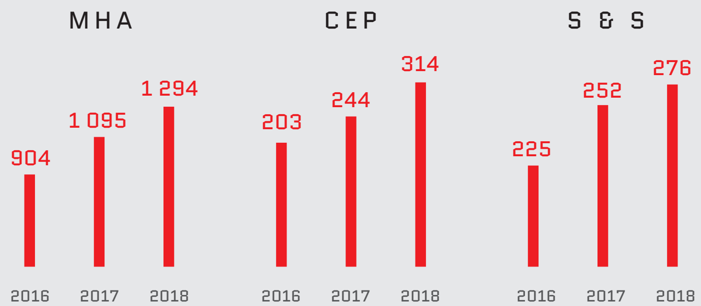
NET DEBT (IN €M)



INVESTMENTS (IN €M)



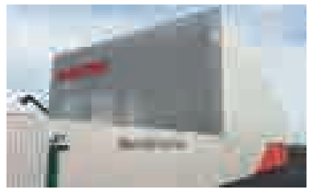
WORKFORCE (IN NUMBER OF PEOPLE)



SALES BY DIVISION (IN €M)

*ASIA, PACIFIC, AFRICA AND MIDDLE EAST

HIGHLIGHTS 2018



1. R&D Test Center opens in Ancenis, France.

2. Launch of an initiative, entitled Elevation Frontiers, to advance the Sustainable Development Goals (SDGs) of the United Nations (UN).

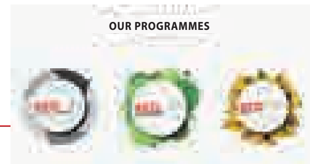
3. Launch of the employer brand: Join the Up Movement!

4. Columba Leadership Trust acquires a 26% stake in Manitou Southern Africa.

5. Launch of two new rough-terrain forklift trucks, the MC 25 and the MC 30.

6. Launch of two new semi-industrial forklifts, the MSI 25 and MSI 35 and the new "ER" range of electric reach masted forklift trucks.

7. Launch of two new track loaders: the most compact on the market, the Gehl RT 105 and the Mustang by Manitou 1050 RT, and new telehandler models from the Gehl brand.



8. The Manitou brand celebrates its 60th anniversary and the first Manitou forklift.

9. Industrial forklift trucks and aerial work platforms launch in the USA.

10. The Mustang brand becomes Mustang by Manitou.

11. Launch of the new REDUCE platform incorporating three components: REDUCE Fuel, REDUCE TCO, and REDUCE Risks.

12. The Manitou group presents the world's first electric telehandler prototype.

13. Manitou Poland celebrates its 10th anniversary

14. Record order book and sales for the group.

NUMEROUS PRIZES AWARDED

1. The Manitou group wins the "Foglie d'oro" prize at the Fieragricola trade fair in Verona (Italy) for the "Comfort Steering System" which equips its MLT 840 and 1040 telescopic loaders, and also the "Foglia d'argento" prize for the Easy MANAGER connected machine solution.

2. The Manitou group wins the "Digital Technology for HR Efficiency" prize at the 2018 Digital HR Team Awards.

3. The MLT-T 533 wins the award for best telescopic handler at the Movicarga awards in Spain.

4. Prize awarded at the SIMA Awards for the "Eco Stop" function available on the MLT agricultural machines.

5. Excellence Award finalist for the BMA Milwaukee Bell Awards in recognition of the marketing campaign for the Pilot Series from the Gehl brand ranges.

6. 2018 mention award at the EIMA trade fair in Italy for innovations in the New Ag range.

BOARD OF DIRECTORS

MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS

It is with great satisfaction that the Board of Directors can look back on 2018 as a very positive year that has never been equated, and send this message of confidence to customers, employees, shareholders and all stakeholders of the Manitou group.

The Board of Directors and I are very proud to have supported the projects that helped achieve these great results.

Among these projects, we would like to highlight the inauguration of the R&D Test Center at the beginning of the year. We must continue to turn the reliability and quality of our machines into competitive assets.

During 2018, the capacity of our production sites has increased, and there are many more projects still to come.

On an international and strategic level, the expansion of our activities in India continues to be successful. In addition, the launch of aerial work platforms and industrial forklifts in the United States will strengthen our presence and help us increase our market share in this growth region.

We also highlight the 10 year anniversary of our company Manitou Poland. Our international development is the result of our cross-continental network and the investment of teams at a local level.

In addition to the challenges that have been met, in 2018 we celebrated the 60th anniversary of the Manitou forklift, an occasion for us all to feel proud to have contributed to the growth of our regional family business into a rapidly growing international group. This anniversary highlights the progress made over the years. Being a world leader today commits us to going further and acting more responsibly than ever.

The launch of a new initiative entitled "Elevation Frontiers" to promote the United Nations Sustainable Development Goals, the expansion of the "REDUCE" programme, dedicated to risk prevention and the reduction of our environmental impact, and the development of models using electrical energy with the introduction of the world's first electric telehandler prototype, are all examples of the move in this direction.

At the core of our strategy, innovation and customer satisfaction remain the cornerstones of our growth. The numerous awards won for our machines and services in 2018, together with a record end of year order book, reinforce and reward the work of all the teams.

On the strength of this success, in 2018 the shareholders reiterated their support for Michel Denis. Stability and performance enable us to stay on course for sustained and profitable growth.

I would like to thank all our partners: suppliers, dealers and of course our employees, whose constant commitment has contributed to our collective performance and made our Manitou, Gehl and Mustang by Manitou brands shine.

I also want to thank the members of our Board, who are, as they were in 2018, committed to supporting the teams in 2019 to further the group's progress, meet new challenges and continue this amazing collective adventure.

Jacqueline Himsworth
Chairperson of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS

1. Jacqueline Himsworth (Chairperson)
2. Christopher Himsworth
3. Stéphane Renaud
4. Cécile Helme-Guizon
5. Émilie Braud
6. Gordon Himsworth
7. Sébastien Braud
8. Marcel-Claude Braud
9. Dominique Bamas
10. Carole Lajous
11. Pierre-Henri Ricaud

2 3 4 5 6 1 7 8 9 10 11

MANITOU ON THE STOCK EXCHANGE

Change in Manitou's share price in indices and volume since 02.01.2018

Volume · Manitou · Cac all-tradable

ANALYSTS COVERING THE MANITOU SHARE

CM CIC Market Solutions
Ebrahim Homani

Gilbert Dupont
Stephen Benhamou

ID MidCaps
Denis Scherrer

Kepler Cheuvreux
Charles-Louis Scotti

Mainfirst
Louise Boyer

Oddo BHF
Emmanuel Matot

Portzamparc
Yann de Peyrelongue

Société Générale Cross Asset Research
Marie-Line Fort

SHARE PRICE IN €	2014	2015	2016	2017	2018
Highest	14.1	19.5	19.2	34.8	37.9
Lowest	10.5	12.1	13.0	18.4	18.5
Year-end price	12.2	14.1	18.7	30.5	22.4
Change in the year	-11.6%	+15.6%	+32.6%	+63.1%	-26.6%
Cac Mid & Small change in the year	+8.4%	+18.2%	+7.2%	+21.9%	-21.6%
Market capitalisation at 31.12.2018 in millions of euros	482	558	740	1 208	889
Average number of shares traded daily	12 267	13 567	19 784	16 517	16 115
Number of shares traded annually	3 128 126	3 473 000	5 084 402	4 211 891	4 109 277
Number of shares at 31.12.2018	39 548 949	39 551 949	39 557 449	39 621 598	39 668 399
Share turnover rate	11.3%	8.8%	12.9%	10.6%	10.4%

THE MANITOU SHARE IS LISTED ON EURONEXT PARIS

- EUROLIST compartment A
- ISIN code: FR0000038606

CAPITAL AND SHAREHOLDERS

Amount of capital at 31.12.2018:
€39 668 399

STOCK MARKET INDEXES

CAC ALL SHARES, CAC ALL-TRADABLE, CAC INDUSTRIALS, CAC MID & SMALL, CAC PME, CAC SMALL, EN FAMILY BUSINESS, ENT PEA-PME 150

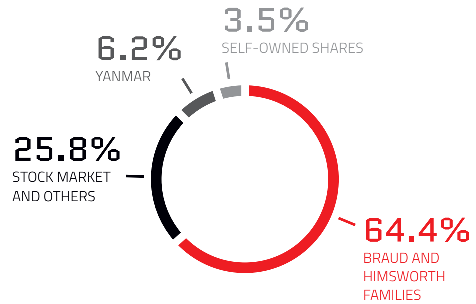
SHARE MANAGEMENT

- **Establishment in charge of managing shares**
  Société Générale Securities Services
- **Market-making contract**
  Portzamparc Société de Bourse SA

PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Hervé Rochet
Corporate Secretary - CFO

MAIN SHAREHOLDERS



EXECUTIVE COMMITTEE

Michel Denis [1]
President and CEO

Fernand Mira [2]
President, MHA division

Maxime Deroch [3]
President, S&S division

Richard L.Alton [4]
President, CEP division

Laurent Bonnaure [5]
EVP, Sales & Marketing

Guillaume Rabel-Suquet [6]
EVP, Human Resources

Hervé Rochet [7]
Corporate Secretary - CFO

VISION AND STRATEGIC PRIORITIES

2018 was a record year for the Manitou group. A turnover of €1 884 million, representing an increase of +19% on a comparable basis compared to 2017, a cumulated order intake of €1.9 billion, and lastly, an order book which, for the first time in our history, crossed the billion euro threshold. Overall, the group recorded growth of 40% in just two years. This development was due to the solid momentum of our markets, and to the increasing success of our machines and our services to customers.

In 2018, the group made progress in all regions, especially in Northern Europe and North America, and in all its business areas.

The construction market once again showed the strongest growth, a sector in which our performance with rental companies was very strong on all continents.

The year saw the launch of aerial work platforms in the United States, confirming the group's desire to penetrate the North American market.

The agricultural sector also made progress, particularly with the success of the MC-18 rough-terrain forklift and the return of articulated telehandlers to the segment. Lastly, the New Ag telehandler range has clearly become the benchmark for agricultural handling in Europe, achieving great success for the third year in a row.

Added to that, the fast-growing industrial sector saw the launch of a new range of electric reach masted forklift trucks, the renewal of a large part of the range of semi-industrial forklifts and the launch of industrial forklifts in the United States.

Our performance is also the result of a continuous quest to improve the customer experience, particularly by reducing the total cost of use of our machines. With a range of services to match each product, the group offers its customers complete solutions. These innovative offerings enable the company to stand out and build a closer and more loyal relationship with its customers and end users.

As we continue to develop, our societal responsibility grows stronger than ever. The charity fund Columba Leadership Trust became a shareholder in Manitou Southern Africa, enabling us to develop our activity in the mining sector and promote transformation and diversity in the South African economy. Sustainable development and safety are also at the heart of our priorities, with the expansion of the REDUCE programme with REDUCE Risks and a desire to move towards cleaner energies. These commitments are fully in line with the creation of value within the group.

The Manitou group is preparing for the future and is taking the necessary steps to achieve sustainable growth by investing heavily in 2019:

- investments in the product plan with a +35% spent on R&D,
- investments in industrial facilities,
- investments in digital solutions to ensure the group's transformation.

The order book reached a historic level and the end of year order intake was exceptional. The group remains confident but cautious, anticipating positive results for 2019 with a sustained growth of around 10%.

The company continues to follow its 2018-2022 roadmap focussed on improving our commitment to customers around the globe, development of our machines and services portfolio, creation of value and performance as a result of innovation, digitalisation and conversion, in addition to the elevation of our talents.

Pursuing these ambitious principles to increase customer satisfaction ensures that we continue to strengthen and sustain our leadership across all our markets.

Michel Denis
President and CEO

Improve the customer commitment across continents

Expand the machine and service portfolios

Create value and performance through innovation, digitalisation and transformation

Elevate talent

AN ECONOMIC MODEL
TO GO ONE STEP FURTHER

With an economic model based on business that creates solutions, services and value for customers, the group continues to establish its reputation and implement its strategy in a pragmatic and innovative manner.

DESIGNER

Product innovation: the key to a successful development strategy

The continual search for innovation and optimisation of its sourcing allow the Manitou group to anticipate the market's needs by designing products which fully meet its customers' expectations. Manitou, Gehl, Mustang by Manitou, Loc equipment and Edge attachments demonstrate a constant competitive edge that is much appreciated by all of their users.

PRODUCER

A powerful, highly flexible industrial tool.

In a move to adapt to changes in demand and specific market requirements, the Manitou group has built its industrial tool around three guiding principles: the development of know-how in manufacturing structure assemblies (such as frames, booms and masts), the flexibility and responsiveness of its supply chain and the use of its high-skilled assembly and fitting capabilities.

DISTRIBUTOR

Robust networks of independent distributors.

Since the beginning, the Manitou group has committed to deploying reliable and powerful local networks: 1 500 dealerships and distributors across 140 countries, all specialized in handling equipment, sharing the same commitment as their manufacturer. By offering a comprehensive range of services via its networks – from financing to equipment maintenance – the group meets the increasingly pressing demand from customers for a personalized service allowing them to optimize their equipment use.

PROVIDING SERVICE AND VALUE

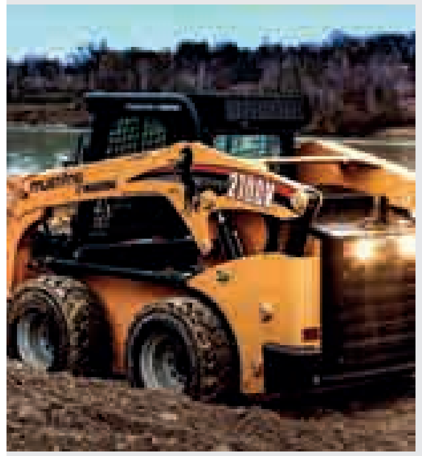
Throughout the product's life cycle.

The Manitou group listens to its customers to best satisfy their expectations and create value. Products and services are designed to meet the needs of customers and work alongside them throughout the product's life cycle. The objective: to seek out the best performance, the greatest ease of use and the highest level of reliability, including a command of fuel consumption and the product's second life.

INNOVATION
FOCUS

THE MHA DIVISION
MATERIAL HANDLING AND ACCESS

The opening of the new R&D centre in Ancenis early in the year underlines the MHA division and Manitou Group's intention to make robustness and durability intrinsic components of machine design. With the keen involvement of its teams, the MHA division has developed various innovative models. Amongst these innovations, two new rough-terrain forklift trucks have been brought to market and a new articulated loader added to the agricultural range. The 160 & 180 ATJ platform models have also been brought into alignment with the latest European standards. This development helps to optimise the total cost of ownership for users by reducing consumption. Innovation was also a factor in the world's first electric high reaching telehandler prototype developed in partnership with parts manufacturer DEUTZ. With strong innovative ability and in-depth attention to customer feedback, the Manitou group's ranges are set to hold onto their reputation for reliability.



THE CEP DIVISION
COMPACT EQUIPMENT PRODUCTS

Focused on customer feedback, the Compact Equipment Products division released multiple products in 2018. Production increased by 30% to meet the demand of customers and the rapidly growing markets. The integration of a specialised production site for compact models in India now allows Manitou Group to produce a range of backhoe loaders and wheeled skid-steer loaders for the emerging markets.

In 2018, 6 new machines from the Gehl track loaders range were launched with Pilot series features that enhance machine responsiveness and operator feel. Gehl and Mustang by Manitou released one of the most compact skid-steer loaders on the market. The group also launched four new telehandlers from the RS Mark 74 range that are equipped with a 74 hp which eliminates the need for post-treatment liquid.

THE S&S DIVISION
SERVICES AND SOLUTIONS

The Manitou group has set itself the mission of even more innovative, user-centric solutions.
The Easy MANAGER app gained momentum in 2018, allowing users to access key machine data remotely and in real time as they look to optimize fleet management (geolocation, maintenance intervals and rental billing). This tool also supplies technicians with the technical information needed to reduce equipment downtime in the event of breakdown.
With new solutions to manage machine restoration, the Manitou group allows its users to extend the lifespan of their machine and their residual value.
This year also saw the launch of a Learning Management System (LMS) which allows users to better monitor training needs and levels within the network.
Finally, the Customer Service Platforms (CSP) scope of action expanded with Australia being introduced to the programme. These platforms allow key account customers to manage their needs on a single platform with the option of a unique point of contact.

MANITOU GROUP, ELEVATING TALENT

RISING TO CHALLENGES

Manitou Group employees are passionate and driven by an entrepreneurial spirit. This is a key part of the corporate culture, encouraging a sense of belonging among employees.

Based on trust, management promotes innovation, experimentation, challenge and greater responsibility.

This working method promotes constant diversity in teams and the chance to share experiences with other team members. The group is committed to ongoing improvements and sustainable development.

OFFERING CHALLENGING CAREER PATHS

The Manitou group encourages employee development by offering exciting development opportunities in France and abroad. In this way, each employee has the opportunity to be in regular contact with their counterparts worldwide, working on global matters and benefiting from international mobility.

With a personalised integration program for new employee arrivals and training throughout their career, the Manitou group encourages internal mobility and the chance for employees to fully express their talents.

MOVING FORWARD AS A TEAM

The Manitou group is an international group underpinned by family shareholdings, guaranteeing a long-term respectful vision. Compassion, passion and a focus on performance are the cornerstones of strong corporate culture. Convinced that collaboration is stronger than competition, the Manitou group encourages team spirit in its organizations.

FINDING A WORK-LIFE BALANCE

Team well-being is closely monitored to improve the employee experience. The Manitou group actions include robust health and safety policies, professional equality and disability commitments and continuous improvements to the spaces, means and methods available to employees at work.

The Manitou group makes every effort to encourage a work-life balance and quality work life for employees.

JOIN THE UP MOVEMENT

Manitou Group is an innovative group, an enabling environment, a challenging job... These qualities are driven by the employer branding: **Join the Up Movement!** This signature invites candidates to apply and employees to contribute to the corporate dynamic.

+1 000
RECRUITMENTS IN 2018

The freedom for each staff member to express its talents

A warm and friendly environment

Stimulating career paths, in France and abroad

An engaging collective mission in support of sustainable performance

A culture of innovation shared by all the group's organizations

A leading group with dynamic growth

EMPLOYEES TALK ABOUT THE GROUP

83%* feel good in their working environment

"The atmosphere is friendly and remains family-focused."

78%* are engaged

"The team's desire and motivation are impressive."

83%* consider the company vision to be clear

"The group's clear and stable strategy allows us to look into the future and set ambitious objectives."

* Result of the internal opinion survey carried out in 2018 with group's employees. 89% participation rate.

CORPORATE SOCIAL RESPONSIBILITY

ELEVATION

By building its mission and activities around Corporate Social Responsibility (CSR), the Manitou group has underlined its ambition to make sustainable development a key component of its strategy and governance.

The CSR 2022 targets are a powerful means of speeding up group transformation.

PRODUCTS AND SERVICES

MOVING TOWARDS:	LAUNCH (2007–2014)	DEPLOYMENT (2015–2017)	EXPANSION (2018)	2022 TARGETS (2022)	
More optimization	First fuel consumption tests REDUCE Fuel programme	European consumption standard project	REDUCE Risks	x3	The amount of **machines with the "REDUCE"** label will be tripled to better combine security, productivity and a reduced environmental impact.
a product service system	Total cost of use introduced to the new product procedure	First "Design to TCO²" machine REDUCE TCO²	TCO² rolled out in the USA	x5	The rate of reduction **in the total cost of ownership** for the top 50% of the most sold machines (in sales) will be multiplied by 5.
More innovation	Product life cycle analysis	Ecodesign new product checklist		100%	of new products will incorporate **ecodesign** and TCO² criteria.
More circularity		"Reman" restored spare parts range Machine refurbishment LAB	Machine dismantling study	8%	of our Parts revenue will be generated from **renovated or reused parts**.

PEOPLE

MOVING TOWARDS:	LAUNCH (2007–2014)	DEPLOYMENT (2015–2017)	EXPANSION (2018)	2022 TARGETS (2022)	
More safety	Site quality and environment certification EHS policy³	EHS Corporation setup³	EHSQ Group policy	-10%	Reduce the **accident frequency rate** by 10% and the **severity rate by 14%**.
More diversity	Gender equality assessment	"Wo'Men by Manitou Group" network setup	Second professional gender equality agreement	850	A total of **850 women** employed within the group.
More well-being	First corporate triathlon in la Baule First Elevation Days event	Gyms opened in Russia and the USA Manitou Sporting Club launch	Group internal social network, KiT, launch	100%	Ensure that every entity has initiated at least one initiative to improve **the employee experience**.
More engagement	Group-wide performance & bonus plan	First employee survey	Survey 2: 89% participation rate	78%	Get 78% **of employees engaged** based on the internal opinion survey.

PARTNERSHIPS

MOVING TOWARDS:	LAUNCH (2007–2014)	DEPLOYMENT (2015–2017)	EXPANSION (2018)	2022 TARGETS (2022)	
More value	Synapse supplier support project Responsible Purchasing Charter	CSR supplier ratings	CSR audit training for buyers	60%	of **suppliers qualified (>60) in CSR** after the audit.
More trust	CSR criteria in the global quality charter			25%	of all sales in our dealers will be given the "**Partner Dealers**" label (dealers with best practices).
More ethical		Signature of the United Nations Global Compact	Manager training launch	100%	of group managers will be **trained and made aware of anti-corruption** and the ISO 19 600 assessment.
More solidarity				2 200 hrs	of **volunteering** will be offered by the group.
More education		First "Handling the Future" student challenge	PRME⁴ partnership as part of the United Nations Global Compact	1%	of net group income will be used **to fund education initiatives**.

Important milestone

1. The United Nations have defined 17 Sustainable Development Goals. Manitou group's strategy is based on nine of these goals.

2. Total Cost of Ownership

3. Environment, Health and Safety

4. Principles for Responsible Management Education: an initiative to integrate CSR into higher education

5. Gaia: CSR ranking among 230 SMEs and mid-cap companies

A winning approach

2014
First place in the Gaïa⁵ Rating for Industry.

2014
Enterprise and Environment Grand Prize - Ademe and the Ministry of Ecology, Sustainable Development and Energy.

2016
Finalist at the European Business Awards for the Environment (EBAE).

2016
Gouvernance d'or du Gouvernement d'Entreprise award (Gold award for corporate governance excellence) - Agefi.

2017
Business Innovation prize at the Trophées des Achats.

2018
Gold award in the mid-cap category for "Human Capital Leader Victories".

THE MHA DIVISION

MATERIAL HANDLING AND ACCESS

THE MHA DIVISION

MATERIAL HANDLING AND ACCESS

€M **1 294**

The MHA division designs, manufactures, distributes and services products for the material handling and access equipment for construction, agriculture and industrial (environment, army, oil & gas, mines and quarries, etc.) markets. It boosts the group's development through the quality, appeal and competitiveness of its products, thus pursuing the inherited historic tradition.
The product ranges cover rough-terrain fixed, rotating and heavy-duty telehandlers, rough-terrain, semi-industrial and industrial forklift trucks, articulated loaders, truck-mounted forklifts, aerial work platforms, warehousing equipment and attachments. The "Material Handling & Access" division develops and manufactures its products on sites in Ancenis, Candé, Laillé and Beaupréau (France), Castelfranco (Italy), Waco (USA) and Vinhedo (Brazil).

2018 FOCUS

2018 closed with results which, for the most part, met or exceeded the targets set for the MHA division, despite many operational constraints that marked the first half of 2018, particularly in the area of supply.

The teams were able to limit the impact and produce previously unparalleled volumes while maintaining quality and minimising costs.

Whenever possible, site by site, product by product, increased rates of production allowed stocks to be replenished and lead times to be reduced.

In addition, many new launches met with instant success, such as the two new rough-terrain forklifts (MC 25 and MC 30), the semi-industrial forklifts (MSI 25 and MSI 30) and the new "ER" range of electric reach masted forklift trucks aimed at warehousing professionals.

We once again salute the innovations rewarded in 2018, with the prize received for the stabilisation system on the MRT 2470 and MRT 3050 models at the "INTERMAT Innovation Awards" in France, the prize for the best telescopic handler awarded to the new MLA-T 533 telescopic articulated loader at the Movicarga Awards in Spain, and the award received for the "Eco Stop" function available on the MLT machines at the SIMA Awards in France.

At the same time, in an operationally strained context, the implementation of a new ERP system was carried out within the set deadline with minimal impact on operations, thanks to the strong commitment of all the teams.

In 2019, the MHA division started the year with a historically full order book and demand remaining strong.

The division must continue its efforts to optimise its supply chain and its industrial resources to reduce the lead times on some ranges of products, at the same time remaining highly responsive and flexible.

In terms of products, the main challenge of 2019 will be the introduction of the new generations of Stage V engines across all the ranges.

In parallel, new programmes will be underway, some of which will be conducted in total synergy with the CEP and S&S divisions. 2019 will pave the way for the emergence of new embedded technologies, ranging from automated functions to new energy solutions.

Last but not least, there will be a focus on strengthening all procedures, audits and training relating to risk prevention for safety and the environment.

THE CEP DIVISION

COMPACT EQUIPMENT PRODUCTS

THE CEP DIVISION
COMPACT EQUIPMENT PRODUCTS

€M
314

The "Compact Equipment Products" division manages all design, production and quality control activities for Gehl, Manitou and Mustang by Manitou products. With a central department and R&D centre based in West Bend (USA), the division produces all of its machines on group production sites in India and three US sites (Madison – SD, Yankton – SD, Waco – TX).
The main CEP ranges include skid-steer loaders, articulated loaders, track loaders, backhoe loaders, mini excavators and telehandlers for global construction and agriculture markets.

2018 FOCUS

The CEP division achieved its good results by focusing on costs, quality and speed. The operating result is a clear indicator that the strategy of reducing the costs of manufacturing products and operating costs is gaining ground. This is despite an environment in which suppliers are passing on significant cost increases to the market. Production volumes have increased by 32% compared with 2017 because of labour constraints on the various sites, which also had an impact on the supply chain and its capacity to manage demand.

The R&D and marketing teams and product managers worked tirelessly to deliver seven new products centred on putting the customer first, which is one of the core values of the CEP division. All the product launches benefited from an improved development process aimed at offering the highest quality and the best features of their category at an unbeatable price.

In 2018, there was an increase in business activity and operating income in India, due largely to the growth of the backhoe loader market in India, but also because of good cost management within the supply chain and expenditure control at a local level. In addition, two new 1 700 kg skid-steer loader models were launched, exclusively for the Indian market.

The CEP division also benefited from a strong demand for wheeled loaders, tracked loaders and telescopic loaders. Indeed, all these machines enjoyed double digit growth in 2018.

Finally, the construction and agriculture sectors both sustained worldwide growth, and the North American market contributed strongly to the growth of telescopic loaders produced in the United States.

Throughout 2019, the CEP division will continue its efforts to develop, simplify and improve its processes to achieve more constant growth and flexibility. The development of new products for construction and agriculture, tailored to customers' needs, is the key to an outstanding customer experience. The CEP division will also start to take significant steps towards simplifying its operations. This initiative will affect many areas within the organisation over the coming years. Other areas of focus will be based on its manufacturing strategy and a close symbiotic relationship with its culture of continuous improvement.

Finally, the recent integration of activities in India remains a key objective in 2019, with the implementation of quality controls comparable to those already set up in the CEP factories, thanks to the optimisation of product development and the deployment of processes with suppliers.

THE S&S DIVISION

SERVICES AND SOLUTIONS

THE S&S DIVISION

SERVICES AND SOLUTIONS

€M

276

The "Services & Solutions" division works to improve the customer experience by reducing the total cost of ownership for users. It also develops offers aligned with the expectations of users, direct customers such as dealers or key accounts, and end customers.

In addition to products and product performance, it is the Manitou group strategy to develop comprehensive solutions for its customers. To do so, each product offers a bundle of services: access to technical machine information, network and key account training, funding solutions, "rent to rent" contracts, warranty and warranty extension contracts, full service contracts, maintenance contracts, new and refurbished spare parts, an after-sales service and the recovery and resale of used equipment. Developed in partnership with their dealers and key accounts, these solutions allow the group to innovate, stand out and build a closer and more loyal relationship with its customers.

2018 FOCUS

2018 was a pivotal year for the S&S division with the implementation of a new road map Ambition 2022. Despite a certain degree of tension regarding the supply of spare parts due to very strong activity, overall the S&S division enjoyed a double digit growth in the activities of sale of service contracts, rental, used equipment, sales of attachments and sales finance.

2018 allowed the S&S to finalise some key forward-looking projects.

The ASSIST platform, used to manage customers support, was launched in North America. This service has been deployed and is used all over the world.

The Learning Management System (LMS) has also been implemented. This allows the training path of technicians to be tracked by the group's customer, and non-classroom based, e-learning training courses to be developed and managed.

Finally, the S&S division offered a new generation of warranty extension offers, improved with the help of customer feedback.

In parallel, a new department was created: sales financing. The stock management and financing offer solutions packaged under the Manitou Finance brand name in the group's dealerships are in effect becoming increasingly indispensable and the division wanted to improve the control of this activity.

Finally, it was decided, initially in Europe, that all machines produced would be connected. The group has thus launched itself fully into the Data Era, which will allow the S&S division to improve the customers' experience and also to make use of the data collected.

These developments enable the S&S division to be ever more effective and efficient for Manitou Group's customers.

3 MARKETS

SOLUTIONS FOR EVERY APPLICATION

The Manitou group developed a range of products to meet requirements of the users in **agriculture, construction** and **industries**.
In addition to machines, the Manitou group offers a very wide range of attachments, thus making the machines more versatile and increasing value for users.

CONSTRUCTION

51%

2018 NET SALES

BUILD

TODAY'S AND TOMORROW'S WORLD

AGRICULTURE

29%

2018 NET SALES

SUPPORT

PEOPLE WORK ON EACH AGRICULTURAL APPLICATION

INDUSTRIES

20%

2018 NET SALES

A HANDLING SOLUTION

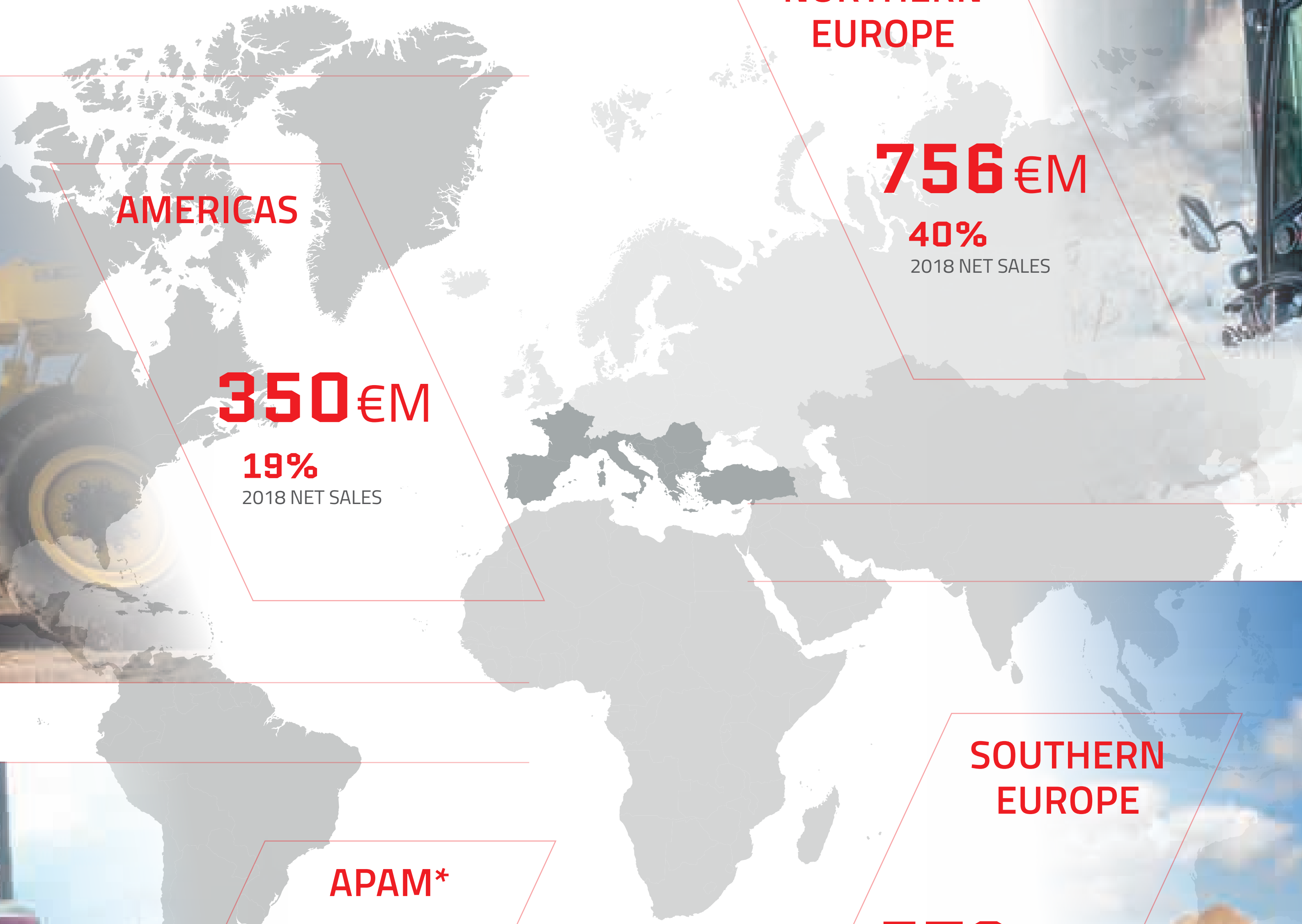
FOR EVERY INDUSTRY

3 MARKETS

SOLUTIONS FOR EVERY APPLICATION

Satisfying and creating value for customers all over the world.

SALES REGIONS



AMERICAS

350 €M

19%
2018 NET SALES

NORTHERN EUROPE

756 €M

40%
2018 NET SALES

APAM*

199 €M

10%
2018 NET SALES

Asia, Pacific, Africa and Middle East.

SOUTHERN EUROPE

579 €M

31%
2018 NET SALES

2018 REGISTRATION DOCUMENT

MANITOU
GROUP

REGISTRATION DOCUMENT SUBMITTED TO THE AMF (FRENCH MARKET AUTHORITY)

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This registration document was submitted to the French Market Authority on 12 April 2019, in accordance with Article 212-13 of its general regulations. It may be used in support of a financial transaction if it is supplemented by an issue note endorsed by the AMF. This document was drawn up by the issuer and implies the responsibility of its signatories.

The registration document incorporates the annual financial report at 31 December 2018.

CONTENTS

* Corporate Social Responsibility

1. THE MANITOU GROUP

1.1. KEY FIGURES

CONSOLIDATED KEY FIGURES

in millions of euros (except for headcount)	2017*	2018
Net sales	1 591	**1 884**
Recurring operating income	95	**129**
% of sales	6.0%	**6.9%**
Operating income	90	**126**
Operating income including net income from equity associates	93	**128**
Net income - Group share	60	**84**
Shareholders' equity - Equity holder of the parent	531	**592**
Balance sheet total	1 098	**1 290**
Dividend for the year reported paid (or proposed) in the following year (in euros per share)**	0.62	**0.78**
Earnings before depreciation and amortisation	82	**122**
Net debt***	76	**148**
Total headcount at 31/12/2018	3 900	**4 425**

** Financial statements presented in comparative include retrospective application of IFRS 9 (see notes 1 and 2 of the appendices to the consolidated financial statements)*
*** Subject to approval of the 2018 financial statements by the Shareholders' Meeting*
**** The definition of net debt is given in paragraph 7.7 of this document. Details of the net debt are available in note 10.6 of the appendix to the consolidated financial statements.*

SHAREHOLDER STRUCTURE AT 31 DECEMBER 2018

Market capitalisation at 31 December 2018: €889m

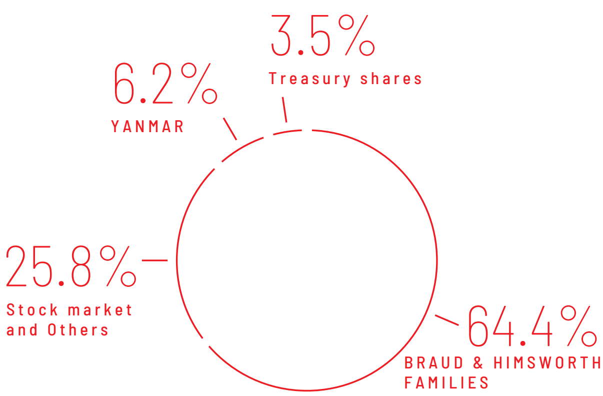
Share price at 31 December 2018: €22.40

Number of shares: 39 668 399

Indices: CAC ALL SHARES, CAC ALL-TRADABLE, CAC INDUSTRIALS, CAC MID&SMALL, CAC PME, CAC SMALL, EN FAMILY BUSINESS, ENT PEA-PME 150.

Manitou shares are eligible for OSRDs (Deferred Settlement Service Stock Exchange Orders).

The shareholder structure is described in section 5.4 of this document.



1.2. HISTORY AND HIGHLIGHTS

HISTORY

1945 The company "Braud Mécanique Générale" was founded in Ancenis, in the Loire Atlantique region of France.

1958 Development and marketing of the first rough terrain forklift truck and creation of the Manitou brand name.

1970s Beginning of the group's internationalisation: creation of distribution subsidiaries in the UK, Italy, etc.

The start of distribution of Toyota industrial forklift trucks in France.

1980s The group refocusses its business on the design and production of handling equipment.

The group establishes itself in the USA.

1981 Launch of the first telehandlers for the construction industry.

1984 Manitou BF launched on the "Second Marché" (secondary securities market) in France.

1989 Launch of the first telehandlers for the agricultural industry.

1990s The group pursues its international expansion (Benelux, Germany, Spain, Portugal, Singapore and South Africa).

1995 Creation of a joint venture with the Toyota group in Ancenis, to assemble the Japanese manufacturer's industrial forklift trucks for the European market.

Launch of the first range of aerial work platforms and rough-terrain truck-mounted forklifts.

2000s Continuation of the group's internationalisation in Canada, Australia, China, Poland, Russia, Chile, Romania and India.

Celebration of the 200 000th Manitou forklift truck.

2004 Manitou BF signs a product cross-distribution agreement with Gehl Company in the US and acquires a 14.9% stake in Gehl.

2008 Launch of a public offering for Gehl to strengthen the group's presence in North America and take advantage of complementary product portfolios. Gehl becomes a wholly-owned subsidiary of Manitou BF from 1 November 2008.

Manitou celebrates its 50th anniversary.

2009 Economic crisis, resulting in a financial crisis and a 54% decrease in the Manitou group's sales. Celebration of the Gehl brand name's 150th anniversary.

2011 Merger with the holding company SFERT as part of a reorganisation of family control. Opening of subsidiaries in Latvia, Brazil and India.

2012 End of the Toyota distribution partnership in France.

Launch of a new range of Manitou industrial forklifts in France.

Signature of a partnership agreement with Yanmar in North America.

2013 Announcement of the end of the mast assembly contract with Toyota France (TIE SA) from 1 January 2015.

Yanmar acquires a 6.26% stake in the Manitou group's capital in place of Société Générale.

2014 Michel Denis appointed President and CEO.

2015 The Manitou group joins the United Nations Global Compact, pledging to disclose annually the actions taken and results achieved from the implementation of the Compact's 10 principles (human rights, working conditions, environment, etc.).

2016 Inauguration of the new subsidiary in Vinhedo, Brazil. The Manitou group strengthens its presence in Latin America with a plant that manufactures telehandlers for the construction industry.

2017 Acquisition of Terex Equipment Private Limited in India.

Acquisition of a majority holding in Marpoll Pty Ltd (LiftRite Hire & Sales) based in Perth (Australia).

Jacqueline Himsworth appointed Chairman of the board of Directors of Manitou BF.

Michel Denis's mandate as President and CEO renewed for a further 4-year term.

SIGNIFICANT EVENTS IN 2018

January The Manitou group awarded the "Foglie d'oro" prize for the Comfort Steering System on its MLT 840 and 1040 telescopic loaders at the Fieragricola Show in Verona, Italy, as well as the "Foglia d'argento" prize for the Easy Manager connected machines solution.

The Manitou group awarded the "Equipment and Materials" prize in the "Components and Attachments" category at the INTERMAT Innovation Awards in Paris. This international competition recognises the innovations that contribute to progress in the construction and materials industry.

February The new R&D Test Center opens in Ancenis.

The "Elevation Frontiers" initiative launched to promote the United Nations Sustainable Development Goals (SDGs).

March The new "Join the Up Movement" employer brand launched.

April New products (MSI 25 and MSI 35, new ER16 reach truck, EP15 electric pallet truck, ES7 stacker) and the "All In" and Easy Manager connected and adapted service offers presented at the CeMAT show.

At the INTERMAT show, the Manitou group celebrates the 60th anniversary of its first forklift truck and presents the 2 new rough-terrain models, MC 25 and MC 30, the two new versions of aerial work platforms and the Gehl RT 215 compact track loader.

June The Manitou group awarded the "Digital au service de l'efficience RH" prize at the 2018 Équipe Digitale RH awards.

Overhaul and launch of the new corporate website www.manitou-group.com.

July The Mustang brand becomes Mustang by Manitou.

Launch of the new REDUCE Risks web platform.

September The Manitou group and Deutz join forces to take their first steps in electrification of dedicated construction machinery: 2 prototypes of Manitou telehandlers equipped with Deutz electric and hybrid engines.

November At the Bauma China show, the Manitou group unveils the new Manitou Compact Equipment range comprising the Manitou 2100RT track loader, the Manitou 818 S backhoe loader and the largest model of the V420 skid-loader.

Acquisition by the Columba Leadership Trust of a 26% share in Manitou Southern Africa. This transaction enables the Manitou group to strengthen its commitment in South Africa by satisfying the highest criteria of the Broad-Based Black Economic Empowerment (B-BBEE) programme.

Various prizes awarded: 2018 Special Mention at the EIMA show in Italy for the innovations of the New Ag range, best telehandler for MLA-T 533 in Spain and double award at the SIMA Awards for the "Eco Stop" function available on the MLT forklifts and the solution for recycling end-of-life Manitou equipment.

1.3. THE GROUP'S MAIN BUSINESSES

The Manitou group, the worldwide leader in material handling, designs, distributes and services equipment for the construction, agricultural and industrial sectors.

The group is organised around 3 divisions: two product divisions and a services division.

- **The MHA** (Material Handling and Access) division develops and produces Manitou brand telehandlers, articulated loaders, industrial and rough-terrain forklifts, truck-mounted forklifts and aerial work platforms.
- **The CEP** (Compact Equipment Products) division develops and produces skid-steers, track loaders, articulated loaders, backhoe loaders and telehandlers under the Gehl, Mustang by Manitou and Manitou brand names.
- **The S&S** (Services & Solutions) division combines all sales service activities (financing, warranty contracts, maintenance, full service and fleet management contracts, etc.), after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and end-user services (geo-localisation, user training, advice, etc.). This division develops its service offers to respond to the expectations of each of our customers and to increase the resilience of group sales.

The distribution of the group's full range of products and services is led by the sales and marketing division, which both develops the network of business partners (dealers) and builds direct relationships with key accounts (international groups and rental companies). The group is active in 140 countries.

MHA DIVISION – MATERIAL HANDLING AND ACCESS

The MHA (Material Handling and Access) division designs, assembles and distributes telehandlers (fixed, rotating, truck-mounted and heavy-load), forklift trucks (rough-terrain, semi-industrial and industrial as well as truck-mounted), aerial work platforms and warehousing equipment.

FIXED TELEHANDLERS

With a range of 4 to 18 metres and a lifting capacity of up to 6 tons, fixed telehandlers have applications in the construction industry as well as agriculture.

The Manitou group offers the most complete product range to meet all of these sectors' needs.

Within the construction industry, end-users are mainly tradespeople (masons, roofers, etc.) and regional, national or international rental companies. They work in the residential, non-residential and renovation industries. These users are looking for straightforward, multi-purpose products, whose handling capabilities make them ideal for efficiently distributing materials on construction sites. A large number of attachments (bucket, jib, winch, etc.) are available for our telehandlers, enabling them to be used for a broad range of applications. The equipment utilisation rate is around 500 hours a year.

Equipment made for the agricultural sector is engineered to withstand intensive daily use. It consists of 6 to 10 metre telehandlers, which can be equipped with a multitude of attachments (bucket, mixing bucket, clamp, etc.) for performing common day-to-day tasks (mucking out, cleaning, feeding cattle, unloading silos, handling bales of straw, loading and unloading materials, etc.). For example, stockbreeders use telehandlers at a rate of around 1 500 hours per year, which is more than they use their tractors.

The Manitou group is constantly improving the performance and finishing of its forklift trucks in order to meet the increasingly demanding requirements of its customers. Most customers own their own equipment and are looking for machinery with a high level of comfort, on a par with that provided by their tractors and combine harvesters. Equipment intended for agricultural use is therefore equipped with cab suspension, air conditioning and the "JSM", a joystick designed by the Manitou group that can be used to control the full range of the equipment's handling functions with the touch of a finger.

ROTATING TELEHANDLERS

The rotating telehandlers quite simply allow loads or people to be lifted to heights varying from 14 to 32 metres with a capacity of up to 7 tons, making them the highest-capacity telehandlers in the world.

The very broad range of attachments available and the 360° rotation make them the most general-purpose machines for any construction site, including the production of art works.

"PERFORMANCE" HEAVY-LOAD FORKLIFT TRUCKS

The high-performance, rough terrain equipment allows us to offer specialised handling solutions for the environmental, mining and industrial sectors, as well as to institutional customers such as the armed forces, and organisations such as the UN, civil protection bodies, etc.

This equipment, with attachments such as tyre clamps or cylinder handlers, can be used to maintain large, heavy machinery.

The highest-performing equipment can lift loads of over 36 tons to a height of up to 12 metres.

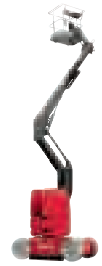
AERIAL WORK PLATFORMS

The platforms designed and marketed by the group include articulated, telescopic and vertical platforms. They allow a working height of between 8 and 28 metres depending on the model.

The platforms are mainly powered by internal combustion engines for outdoor, rough-terrain use and electric motors for indoor, industrial use. The "bienergy" range of articulated aerial work platforms are equipped with an internal combustion engine and an electric motor, so that their batteries can be recharged without using on-site transformers.

Most of our work platforms are marketed through independent regional, national and international rental companies, making this a very cyclical business.

Internal combustion industrial platform



Electric industrial platform

ROUGH-TERRAIN FORKLIFT TRUCKS

The rough-terrain forklift trucks are the ideal product for outdoor applications where stability and manoeuvrability are essential. With a capacity of 1.8 to 7 tons, they are designed to work on any terrain.

These rough terrain forklift trucks are used to transport long, bulky and heavy loads everywhere. Sturdy and simple to use, they are comfortable on the most rugged terrains

INDUSTRIAL AND SEMI-INDUSTRIAL FORKLIFT TRUCKS

The Manitou group designs and distributes a wide range of products for use in industrial handling:

- **semi-industrial forklift trucks** for use both in outdoor environments on unstable ground (pavements, gravelled surfaces, etc.) and inside buildings or warehouses,
- **internal combustion industrial forklift trucks**, designed by the Manitou group and produced by an industrial partner, capable of moving on fully stabilised ground, outdoors,
- **electric industrial forklift trucks** purchased from a partner, for indoor use.

TRUCK-MOUNTED FORKLIFTS

The "Manitransit" forklift trucks are compact forklifts that use telescopic booms or masts aimed at responding to the handling needs of carriers.

The days of waiting for a forklift truck to become available before unloading are over. A forklift mounted directly on the truck gives the carrier total autonomy and provides a complete handling service.

WAREHOUSING EQUIPMENT

Warehousing equipment is distributed under the Loc and Manitou brand names and is designed for warehouse handling activities. Numerous adaptations allow the equipment to be used for specific purposes.

CEP DIVISION – COMPACT EQUIPMENT

The Compact Equipment Products division designs, assembles and distributes compact handling equipment. The breadth of its product catalogue means that distributors have access to an attractive and complementary range designed to meet the full scope of end users' needs. All of the CEP division's products are marketed under the Gehl, Mustang by Manitou and Manitou brand names.

SKID-STEERS

Skid-steers are highly agile, multi-purpose compact handling products. They are steered by locking the wheels on one side of the machine, allowing them to pivot 360° on the spot. Their small size means they can be used in cluttered environments. These simple, robust machines can be equipped with multiple attachments, enabling them to be used for a wide range of applications.

The main businesses using skid-steers are the construction and agricultural sectors, and to a lesser extent, the industrial sector.

TRACK LOADERS

Since 2011, the division has been developing a range of track loaders driven by tracks instead of wheels, which makes them particularly agile on loose surfaces. This type of equipment is mainly used for construction and agriculture.

TELEHANDLERS

The range of telehandlers assigned to the Compact Equipment Products division is composed exclusively of simple, robust equipment suitable for the North American market. Customers for these products mainly consist of regional and national rental companies.

ARTICULATED LOADERS

The articulated loaders designed and assembled by Manitou Americas are multi-purpose machines used for handling and load recovery in confined spaces. The range of products developed by the division is focussed on low to mid-capacity compact equipment. A new range of high capacity loaders was presented at trade shows in 2016.

BACKHOE LOADERS

In 2017, the Manitou group added to its offering with a range of backhoe loaders produced by its Indian plant. This range is aimed at the Asian markets and is suitable for the construction industry in these countries.

S&S DIVISION – SERVICES AND SOLUTIONS

The Services & Solutions division is responsible for developing a whole range of services designed to meet the needs of end users or dealers to facilitate the purchase, use and maintenance of the machines and their resale.

It also distributes spare parts and attachments for all of the group's brand names to all customers.

SPARE PARTS

The division has four main platforms for storage and shipping in France, the United States, Italy and India to ensure the delivery of parts to its customers within the shortest possible time frame. For regions further away from the platforms, some of the group's distribution subsidiaries are also equipped with logistics platforms for improved responsiveness.

ATTACHMENTS

The Manitou group develops a broad range of attachments to increase the number of potential applications for its machines.

Standard or custom-made attachments support multiple uses of our machines, which is essential for customers.

FINANCING

The Manitou group offers sales financing solutions to support its customers' individual development.

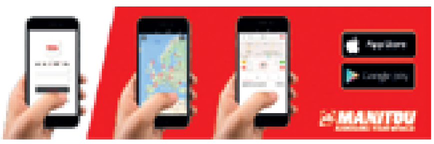
It has joined forces with several financial partners to develop traditional financing offers but also customised rental financing, potentially combined with the corresponding equipment maintenance service.

FLEET MANAGEMENT

In order to respond to the operational needs of certain key accounts, the Services & Solutions division offers direct management of the maintenance of industrial forklift trucks and other leased equipment (including a full-service contract and long or short-term rentals).

CONNECTED MACHINES

The Manitou group now fits all of its machines with connected solutions for monitoring them in real time and optimising their use, with a customer satisfaction approach.



WARRANTY EXTENSIONS / MAINTENANCE CONTRACTS

The Services & Solutions division offers maintenance contracts and warranties of up to 6 years, depending on the product, so that its customers can concentrate on their businesses without worrying about the costs of maintenance and repairs inherent in using the group's products.

TRAINING

The Services & Solutions division regularly organises training for dealers, distribution network technicians and customers who want it, with the aim of ensuring consistent, high-quality servicing and maintenance throughout the world.

Training sessions are delivered at production sites in France or the United States but also locally at certain subsidiaries, with the aim of enabling our networks to be trained rapidly on any developments in our equipment.

SECOND-HAND EQUIPMENT

The Manitou group, through its Services & Solutions division, also offers second-hand equipment aimed at dealers and customers. As a result, the division has access to a refurbishing and sales platform in France to supply the group's networks. The Manitou group presents a new version of the website:

http://used.manitou.com.

The platform, with which the Manitou group is modernising the sale of second-hand equipment, has a new design and an intuitive user interface.

1.4. THE MANITOU GROUP VALUE CREATION MODEL

RESOURCES

MATERIAL RESOURCES

11 production sites

1 in Brazil
3 in the USA
5 in France
1 in India
1 in Italy

8 logistics and spare parts centres

HUMAN CAPITAL

4 400 employees in **21 countries** and **28 companies**

79% permanent contracts (96% of headcount excluding temps)

NATURAL RESOURCES

Main resources

water	energy	metals	elastomers	mineral oils
2 m³/eq truck*	2 660 kWh/eq truck*			

R&D / PATENT

more than 300 employees in **4 countries**

€33.5m of investment in R&D

94 patents held

SUPPLIERS

THERE ARE MORE THAN

1 900

Purchase volume = 66% of our net sales**

ACTIVITY

1 500 DEALERS

FINANCIAL RESOURCES

80% of international net sales**

64% of the capital held by the founding families

€1.9 billion of net sales** at 31 December 2018

* Equivalent forklift: definition on page 63
** Revenue

The mission of the Manitou group is to improve working conditions, safety and efficiency around the world.

ACTIVITY

OUR PROFESSIONS

- DESIGNER
- ASSEMBLER
- DISTRIBUTOR
- SERVICES

OUR OFFER

- HANDLING
- ACCESS EQUIPMENT
- EARTHWORK

OUR MARKETS

- **51%** CONSTRUCTION
- **29%** AGRICULTURE
- **20%** INDUSTRIES

END CUSTOMERS & USERS

More than 500 000 people use our machines every day, for between 500 and 3 000 hours a year.

DEALERS & RENTAL COMPANIES

More than 1,500 dealers and 150 independent rental companies sell or lease our new or second-hand machines.

VALUE CREATION

IMPROVE OUR COMMITMENT TO CUSTOMERS AROUND THE WORLD

By improving our commitment to customers, we develop:

- proximity with our customers: presence in 140 countries,
- our production capacities and the efficiency of our supply chain sustainably and responsibly.

EXPAND OUR OFFER OF MACHINES AND SERVICES

By developing our range of machines and services, we transform uses for increased safety:

- by guaranteeing innovative and responsible services, incorporating the TCO from the design stage of connected machines,
- by reinforcing our presence on markets through development of our ranges.

CREATE VALUE AND PERFORMANCE THROUGH INNOVATION, DIGITALISATION AND TRANSFORMATION

By transforming, with:

- CSR objectives advanced in our business sector,
- digital transformation in order to optimise use.

ELEVATE OUR TALENTS

By elevating the group's talents, we develop:

- our headcount: +22% employees worldwide, between 2017 and 2018,
- the commitment of our employees: 78% positive commitment.

1.5. GROUP ORGANISATION CHART AND INFORMATION ON THE MAIN SUBSIDIARIES

1.5.1. GROUP ORGANISATION CHART AT 31 DECEMBER 2018

The detailed list of subsidiaries is available in Note 35 of the consolidated financial statements.

Manitou BF SA
Ancenis, France

Manitou UK Ltd.
Verwood, United Kingdom (99.4%**)

Manitou Deutschland GmbH
Ober-Mörlen, Germany (100%**)

Manitou Italia Srl
Castelfranco, Italy (100%**)

Manitou Americas*
West Bend, United States

Manitou Benelux SA
Perwez, Belgium (100%**)

21 other subsidiaries
(of which 20 distribution subsidiaries and 1 production subsidiary)

** Manitou Americas includes Manitou Equipment America & Manitou North America*
*** Percentage held by Manitou BF*

1.5.2. THE GROUP'S MAIN SUBSIDIARIES

MANITOU AMERICAS *

One Gehl Way

West Bend Wisconsin 53095 – United States

A 100% owned subsidiary of Manitou BF

* Manitou Equipment America & Manitou North America

Business: The distribution of all group products in the United States and the Compact Equipment Products range in countries not covered by the group's sales subsidiaries.

The design and assembly of compact equipment. The company, having its head office in West Bend, Wisconsin, has three production facilities located in Yankton and Madison, South Dakota and Waco, Texas, as well as a distribution platform for spare parts in Belvidere, Illinois.

IFRS	2017	2017	2018	2018
Net sales	$365.7m	€323.7m	$449.9m	€380.9m
Net income	$3.7m	€3.3m	$9.9m	€8.5m
HEADCOUNT AT END OF PERIOD		**828**		**995**

MANITOU ITALIA

Via Emilia – Cavazzona

41013 Castelfranco – Italy

A 100% owned subsidiary of Manitou BF

Business: The design, assembly and distribution of rough-terrain fixed and rotating telehandlers and heavy-load telehandlers. The company also distributes all the group's products in Italy.

IFRS	2017	2018
Net sales	€245.3m	€301.3m
Net income	€13.1m	€19.6m
HEADCOUNT AT END OF PERIOD	**261**	**279**

MANITOU UK LTD

Ebblake Industrial Estate

Verwood - Dorset BH31 6BB – United Kingdom

A 99.4% owned subsidiary of Manitou BF

Business: The distribution of group products in the United Kingdom and Ireland.

IFRS	2017	2017	2018	2018
Net sales	£128.6m	€146.7m	£176.6m	€199.6m
Net income	£2.5m	€2.8m	£3.1m	€3.5m
HEADCOUNT AT END OF PERIOD		**43**		**44**

MANITOU DEUTSCHLAND GMBH

Diesel Strasse 34

61239 Ober Mörlen – Germany

A 100% owned subsidiary of Manitou BF

Business: The distribution of group products through dealers and to key accounts in Germany, Austria and Switzerland. Direct management of a dealership in Germany.

IFRS	2017	2018
Net sales	€101.3m	€117.7m
Net income	€1.6m	€2.0m
HEADCOUNT AT END OF PERIOD	36	40

MANITOU BENELUX SA

Rue des Andains 2

1360 Perwez – Belgium

A 100% owned subsidiary of Manitou BF

Business: The distribution of all group products in Belgium, the Netherlands and Luxembourg.

IFRS	2017	2018
Net sales	€116.2m	€152.6m
Net income	€2.1m	€2.9m
HEADCOUNT AT END OF PERIOD	23	27

1.6. PROPERTY, PLANT AND EQUIPMENT

1.6.1. EXISTING TANGIBLE ASSETS

The main wholly owned buildings are:

Country	Location	Approximate floor space in square metres	Main functions
France	Ancenis, 44	84 800	Head office for the group and the MHA and S&S divisions, research and assembly centre for fixed telehandlers.
	Ancenis, 44	30 000	Spare parts logistics centre.
	Candé, 49	9 500	Research and production centre for aerial work platforms.
	Laillé, 35	10 000	Production centre for compact telehandlers.
	Beaupréau, 49	2 200	Research and production centre for warehousing equipment.
	Beaupréau, 49	8 000	Research and assembly centre for forklift trucks and truck-mounted forklifts.
Italy	Castelfranco, ER	18 600	Research and assembly centre for rotating and heavy-load telehandlers.
South Africa	Johannesburg	15 000	Offices and assembly centre, particularly for heavy-load forklift trucks for the mining sector.
United Kingdom	Verwood	2 800	Offices, preparation and storage workshop.
United States of America	West Bend, WI	14 000	Head office and research centre for the Compact Equipment Products division.
	Madison, SD	24 000	Production centre for skid-steers.
	Yankton, SD	16 900	Production centre for telehandlers for the Compact Equipment Products division.
	Waco, TX	11 600	Assembly centre for forklift trucks and truck-mounted and articulated forklifts.
Singapore	Singapore	3 900	Offices, preparation and storage workshop for spare parts.

1.6.2. MAIN RENTED BUILDINGS

Country	Location	Approximate floor space in square metres	Main functions
United States of America	Belvidere, Il.	16 400	Spare parts centre.
Brazil	São Paulo	3 500	Assembly centre for telehandlers for the South American market, offices, training centre and storage facility.
India	Greater Noïda	14 500	Production centre for backhoe loaders, and offices.

2. MANAGEMENT REPORT

IN 2018,

The group recorded a significant 18% growth in its revenue for the period to reach €1 884m. This increase, like in the previous year, is achieved in all territories and all markets, which are all still dynamic. This development was impacted negatively by exchange rate changes (-2%) and positively by the integration, over a full year, of the acquisitions effected in 2017 (+1%).

Thus, readjusted for standard, exchange rate and external growth impacts*, the group's revenue increased by 19%.

The MHA (Material Handling and Access) division saw its revenue increase by 18% to €1 294m. Construction was the sector with the strongest growth (+24%), while sales of agricultural telescopic equipment grew by 16%. The development of platform sales continued with a 15% increase compared to the previous year.

The revenue of the CEP (Compact Equipment Products) division, with 29% growth, experienced the group's strongest growth to achieve a revenue of €314m. This growth is driven by the development of the construction business, and in particular sales of specific telescopic equipment to the US market (+50%). Sales of articulated loaders grew 25%, and sales of mini-loaders 17%.

The S&S (Services & Solutions) division with revenue of €276m grew 10% compared to 2017. This growth can be explained by the significant increase in attachment sales (+14%), and above all by the strong development (+21%) of service activities (rental, second-hand equipment, warranty extensions, training). Parts sales increased 7%.

* Definition given in paragraphs 2.1.2 and 7.7 of this document.

2.1. BUSINESS REPORT

2.1.1. COMMERCIAL PERFORMANCE

In 2018, group revenue increased 18% as compared with the previous financial period. Growth was seen over all geographical areas.

Northern Europe remains the most dynamic area (+26%).

All of the countries in the region enjoyed significant commercial development. Sales in the United Kingdom recorded the strongest growth in the area. The Baltic countries and Russia recorded less significant growth, adversely affected by a slowing of the agricultural sector.

Southern Europe saw its sales grow 11%.

Sales grew sharply in the Iberian Peninsula and Italy, where the construction sector accounts for a significant share of business. Sales in France, having benefited from the "Macron" extra-depreciation tax measure in 2016 and 2017, continued to grow (+7%).

The APAM* region saw a 15% rise in its sales, including the full-year impact of external expansion effected in 2017.

Excluding changes in scope, revenue in the area grew by 13%. Oceania and Southern Africa remain the areas where development of sales is at its highest.

The Americas saw a 20% growth in sales.

Sales in the United States of America and Canada increased 20% driven by the strong growth in demand for telescopic equipment by large rental companies. Sales of other equipment remained very dynamic, with increases of more than 15%. The South America zone saw a good level of business in Brazil, up 48% after several years of subdued performance. Sales in Argentina also experienced 17% growth.

**Asia, Pacific, Africa and Middle East.*

2.1.2. CONSOLIDATED NET SALES

The group is structured into three product and services divisions, with shared sales teams distributed across four geographical regions.

The group owns the Manitou, Gehl, Mustang, Mustang by Manitou, Edge and Loc brands.

SALES PERFORMANCE BY DIVISION AND GEOGRAPHICAL REGION

In millions of euros and as a percentage of the total breakdown.

Net Sales 2017						Net Sales 2018				
Southern Europe	Northern Europe	Americas	APAM *	**TOTAL**	in millions of euros and % of total	Southern Europe	Northern Europe	Americas	APAM	**TOTAL**
421.9 27%	490.9 31%	79.3 5%	103.2 6%	**1 095.2 69%**	MHA	463.2 25%	622.0 33%	99.2 5%	109.7 6%	**1 294.1 69%**
13.8 1%	32.5 2%	162.8 10%	34.9 2%	**244.0 15%**	CEP	18.5 1%	42.9 2%	202.6 11%	49.6 3%	**313.5 17%**
87 5%	78.5 5%	50.9 3%	35.3 2%	**251.7 16%**	S&S	96.9 5%	91.0 5%	48.5 3%	39.6 2%	**276.0 15%**
522.8 33%	**601.9 38%**	**293.0 18%**	**173.3 11%**	**1 591 100%**	**TOTAL**	**578.6 31%**	**755.8 40%**	**350.3 19%**	**198.9 10%**	**1 883.6 100%**

** Asia, Pacific, Africa and Middle East.*

VARIATION AT CONSTANT EXCHANGE RATE, ACCOUNTING STANDARD AND SCOPE

Net sales in millions of euros % vs net sales in 2017	Net sales 2017	Foreign-exchange impact	Impact of scope and standard IFRS 15	Variation at constant scope, standard and exchange rate*	Net sales 2018
MHA	1 095	-14 -1%	-9 -1%	221 +20%	1 294 +18%
CEP	244	-14 -6%	15 +6%	68 +28%	314 +29%
S&S	252	-5 -2%	8 +3%	21 +8%	276 +10%
TOTAL	**1 591**	**-33** **-2%**	**15** **+1%**	**310** **+19%**	**1 884** **+18%**

** At constant scope, accounting standard and exchange rate:*

- *scope: for the companies acquired in 2017 (Manitou Equipment India in May 2017 and Liftrite at the end of July 2017), deduction of their contribution, from 1 January of the current period to the anniversary month of their acquisition. No companies were acquired and there were no departing companies for the 2018 financial year*
- *accounting standard: application of IAS 18 to the aggregate line items for the current period*
- *application of the exchange rate for the previous period*

SALES PERFORMANCE BY DIVISION

SALES TRENDS - MATERIAL HANDLING AND ACCESS (MHA) DIVISION

In 2018, revenue for the MHA division increased 18% compared with 2017, i.e. +€199 million. The division accounted for 69% of group revenue in 2018 and in 2017.

The MHA division saw its revenue rise across all markets (construction, agriculture and industry).

MHA activity in Southern Europe

In Southern Europe (€463.2m, +10%), the division saw strong growth in the construction sector, in the Iberian Peninsula and Italy in particular. Sales to the agricultural sector also grew, driven by France and Italy. Lastly, demand for aerial work platforms from large rental companies remains very high.

MHA activity in Northern Europe

Revenue in the region (€622.0 million) grew by +27%, i.e. +€131 million.

Northern Europe is the area that saw the strongest growth, thanks to the development of telehandlers for the construction sector (+37%), in particular rotating telehandlers. Sales of agricultural equipment also grew sharply (+20%).

MHA activity in the Americas

The American continent recorded growth of 25% in 2018 and 49% in two years to reach €99m.

Sales performance was very consistent, in terms of value, between the different products in the MHA range, with a third of growth in construction telehandlers, a third in agricultural forklifts and the final third in telescopic platforms. However, aerial work platforms saw the strongest relative growth, with the division having adapted its machines to the specific requirements of the North American market, which is still the largest market in the world for platforms.

MHA activity in the APAM region

Revenue in the region (€109.7 million) increased (+6%).

The division saw an increase in sales in all of the countries in the area, but was affected by a fall in sales of agricultural equipment in Australia and construction and agriculture telehandlers in India.

SALES TRENDS - COMPACT EQUIPMENT PRODUCTS (CEP) DIVISION

The revenue of the CEP division experienced the group's strongest growth, +29% to reach €314m.

Readjusted for changes in scope (acquisition in 2017 of a plant in India that produces backhoe loaders and skid-steers), revenue increased by 22%.

The division's business activities are sensitive to changes in the euro-dollar parity, given both the size of its revenue on the American continent (65%) and the fact that manufacturing is primarily in North America, weighing against distribution in Europe.

The division accounted for 17% of the group's revenue in 2018, as compared with 15% in 2017.

CEP activity in the Americas

Revenue on the American continent achieved €202.6m, an increase of 24%.

Sales of telehandlers under the Gehl brand recorded significant growth (+50%) because of high demand for equipment from large rental companies. This equipment is mainly used in construction and mining (shale gas), which has recovered following the increase in the per-barrel price.

Sales of mini-loaders increased 15%, with a rebalancing of sales in favour of track loaders, which now account for almost half of sales.

Sales of articulated loaders also grew 15%.

CEP activity in Southern Europe

The division had a turnover of €8.5 million, up 34% as compared with 2017.

Italy continues to be the leading market for the distribution of skid-steers and saw the strongest growth in the region.

CEP activity in Northern Europe

Turnover stood at €42.9 million in 2018, up 32%.

The growth in sales in the region was mainly achieved through sales of articulated loaders in Germany and Scandinavia, as well as through the increase in sales of mini-loaders in Russia.

CEP activity in the APAM region

Revenue increased 42% to €49.6 million.

Readjusted for full-year sales of backhoe loaders and mini-loaders produced in India by Manitou Equipment India, acquired in spring 2017, sales increased by 24%.

Sales of mini-loaders increased in Australia and Southeast Asia.

SALES TRENDS - SERVICES & SOLUTIONS (S&S) DIVISION

In 2018, revenue for the division was up 10% at €276.0 million.

The division accounted for 15% of the group's revenue in 2018.

S&S activity in Southern Europe

S&S revenue in this area accounted for €96.9 million, that is to say 35% of the division's revenue, up 11%.

Sales of parts increased by 7%, while attachment sales grew 19%.

Service activities gained 22% with the development of equipment rentals and maintenance activities in Spain and France, where the group owns dealerships.

S&S activity in Northern Europe

Activity in Northern Europe is up 16% at €91.0 million, or 33% of the division's revenue, just behind Southern Europe.

Northern Europe saw the greatest growth for the group in the parts (+10%) and attachments (+30%) distribution segment, thanks to the dynamism in the British and Central European markets.

The service business grew 67%, as a result of the introduction of rental agreements in Scandinavia.

S&S activity in the Americas

Activity on the continent fell by 5% to €48.5 million, negatively affected by exchange effects.

Sales of parts and attachments remained relatively stable.

The division saw a fall in its sales of second-hand equipment, especially in rental agreements, given the transfer of demand to purchasing.

S&S activity in the APAM region

Activity in Asia, Africa and the Middle East was affected by changes in the scope of consolidation, effected in 2017, but saw growth of 12% to €39.6 million.

At constant scope, sales increased 6%.

2.1.3. ORDER BOOK BY DIVISION

The concept underlying the order book is defined in paragraph 7.7 of this document.

Due to its services activities and very short delivery lead-time objective for parts and attachments, the order book for the S&S division is not a useful indicator for future activity. Only the order books for the product divisions provide an indication of the potential trends for our markets.

Order book performance was as follows:

in millions of euros	31.12.2017	30.06.2018	31.12.2018
GROUP TOTAL	708.9	829.6	1 002.3

At 31 December 2018, the group's order book stood for the first time at more than €1 000 million, up 41% on the previous year. It accounted for more than 7 months of invoicing based on the 2018 revenue of the MHA and CEP divisions.

2.1.4. BREAKDOWN OF SALES BY INDUSTRY SECTOR

The group designs, assembles, and distributes products for the construction, agriculture, and industry sectors.

The group saw growth across all its sectors as compared with 2017.

IN THE CONSTRUCTION SECTOR, revenue in 2018 accounted for 51% of the group's total revenue, i.e. €968 million, as compared with €790 million, or 50%, in 2017.

IN THE AGRICULTURAL SECTOR, the group's revenue in the agricultural sector represented 29% of the group's total revenue in 2018, i.e. €541 million as compared with €474 million, or 30%, in 2017.

IN THE INDUSTRY SECTOR, the group is present in industries as varied as manufacturing, mining, timber, oil and gas, waste treatment, materials processing, and logistics. Revenue in this sector increased in 2018 to €375 million, as compared with €327 million in 2017. It accounted for 20% of the group's total revenue.

2.1.5. COMPETITIVE POSITION

Since its creation, Manitou Group has based its economic model on three primary businesses: design, assembly and distribution. This development strategy has allowed it to focus its efforts on product innovation, the introduction of high-performance, flexible industrial tools, and the construction of sound networks of independent retailers. Our principal competitors have been present in their respective sectors for many years.

For the MHA and CEP divisions, the main competitors in the construction and agricultural markets are the following.

Name	Nationality	Listed/unlisted
Ausa	Spain	Unlisted
Bobcat (Doosan Group)	South Korea	Listed
Caterpillar	United States of America	Listed
Claas	Germany	Unlisted
CNH Industrial	United States of America	Listed
Dieci	Italy	Unlisted
Genie (Terex Group)	United States of America	Listed
Haulotte	France	Listed
JCB	United Kingdom	Unlisted
JLG (OSHKOSH Group)	United States of America	Listed
John Deere	United States of America	Listed
Magni	Italy	Unlisted
Merlo	Italy	Unlisted

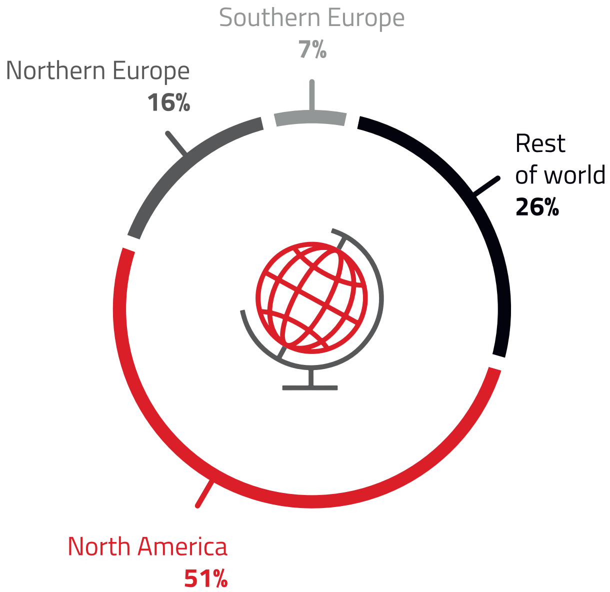
For the MHA division, the main competitors in the industry sector are the following.

Name	Nationality	Listed/unlisted
Kion	Germany	Listed
Jungheinrich	Germany	Listed
Nacco	United States of America	Listed
Toyota	Japan	Listed

The information below on the addressable markets and the Manitou group's position was produced by the Manitou group departments based on statistics from internal and external data (Association of Equipment Manufacturers (AEM) and World Industrial Truck Statistics (WITS)).

ADDRESSABLE MARKETS IN 2018: €39 BILLION

ADDRESSABLE MARKET BY REGION



Addressable market: potential market for which the Manitou group's machines are eligible

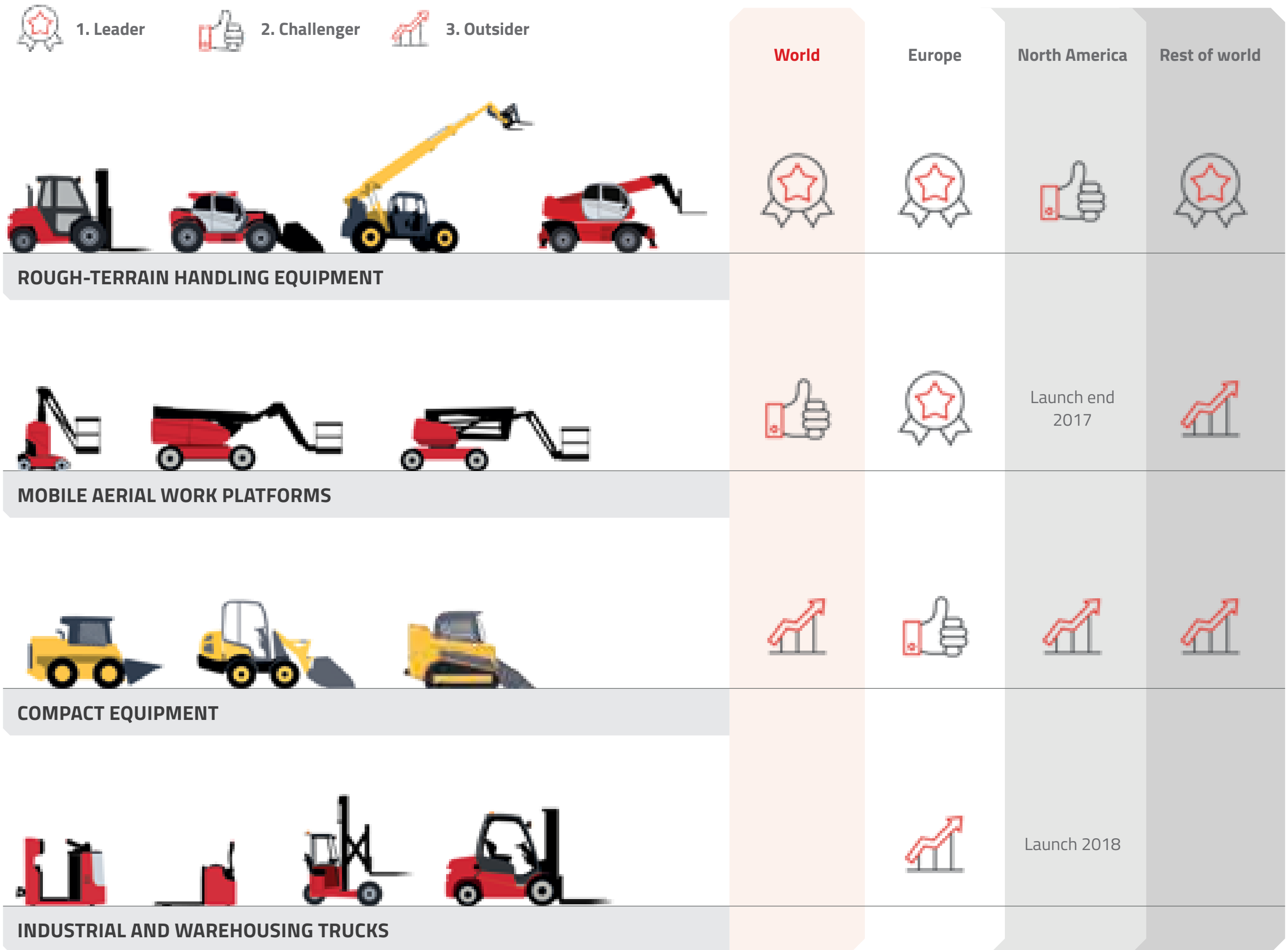
ROUGH-TERRAIN HANDLING MARKET BY PRODUCT RANGE IN BILLIONS OF EUROS

Income	billions of euros	%
Telehandlers	4.2	27
Compact track loaders	3.0	19
Compact excavators	2.1	14
Backhoe loaders	1.8	12
Compact wheel loaders	1.6	10
Aerial work platforms	1.3	8
Compact loaders	1.1	7
Rough-terrain forklift trucks	0.2	1
Truck-mounted forklifts	0.2	1
TOTAL	15.5	100

INDUSTRIAL HANDLING MARKET BY PRODUCT RANGE IN BILLIONS OF EUROS

Income	billions of euros	%
Internal combustion forklift trucks	11.1	46
Electric warehousing trucks	7.7	32
Electric forklift trucks	5.4	22
TOTAL	24.2	100

THE MANITOU GROUP'S POSITION IN 2018



2.2. FINANCIAL RESULTS

2.2.1. CONSOLIDATED INCOME STATEMENT

in millions of euros	2017*	2018
Net sales	1 591.0	1 883.6
GROSS MARGIN	**258.6**	**313.8**
% of net sales	16.3%	16.7%
RECURRING OPERATING INCOME	**95.3**	**129.3**
% of net sales	6.0%	6.9%
Other non-recurring operating income and expenses	-5.0	-3.2
OPERATING INCOME	**90.3**	**126.1**
% of net sales	5.7%	6.7%
OPERATING INCOME INCLUDING NET INCOME FROM EQUITY CONSOLIDATED ASSOCIATED UNDERTAKINGS	**92.8**	**128.4**
Financial result	-5.5	-6.0
Income taxes	-27.2	-38.1
NET INCOME OF THE GROUP	**60.1**	**84.4**

** Consolidated financial statements presented in comparative include retrospective application of IFRS 9 (see notes 1 and 2 of the appendices to the consolidated financial statements).*

After experiencing 19% growth in 2017, the group continued its development with the same dynamic, with an 18% increase in its revenue in 2018.

Despite a sharp acceleration in production rates, which energised the whole logistics chain, the order book at the end of December reached its highest ever level, with almost 6 months of visibility over machine invoicing.

In 2018, the group improved its margin by 0.4 pt to 16.7%. This increase, despite the rise in raw materials prices, can be explained by the continued improvement of our production processes and our component purchasing policy.

The group's commercial expansion is also achieved through an ambitious product development plan with R&D costs up €3.2 million. Sales and marketing, services and administration expenses accounted for 8.5% of revenue in 2018 compared to 9% in 2017.

The recurring operating income was up 36%, increasing by 0.9 pt to 6.9%.

The group recorded non-recurring charges of €3.2 million, which included primarily a loss associated with estimation of the fair value of the shares of HMME held for sale, as well as the legal fees associated with a current patent dispute and restructuring costs.

The financial result fell by €0.6 million taking into account an increased debt to finance the working capital requirement, caused by the increase in activity.

The group's net income closed the year at €84.4 million, as compared with a net income of €60.1 million for the previous financial year.

CHANGE IN GROUP RECURRING OPERATING INCOME BETWEEN 2017 AND 2018

2.2.2. INCOME STATEMENT BY DIVISION

in millions of euros	MHA*	CEP*	S&S*	2017*	MHA	CEP	S&S	2018
Net sales	1 095.2	244.0	251.7	1 591.0	1 294.1	313.5	276.0	1 883.6
Gross margin	163.3	29.6	65.7	258.6	198.1	43.0	72.7	313.8
% net sales	14.9%	12.1%	26.1%	16.3%	15.3%	13.7%	26.3%	16.7%
Current operating income	75.9	0.1	19.3	95.3	100.0	9.4	20.0	129.3
% net sales	6.9%	0.0%	7.7%	6.0%	7.7%	3.0%	7.2%	6.9%
Other non-recurring operating income and expenses	-5.0	0.3	-0.3	-5.0	-2.5	-0.4	-0.3	-3.2
Operating income	71.0	0.3	19.0	90.3	97.4	9.0	19.7	126.1
% net sales	6.5%	0.1%	7.6%	5.7%	7.5%	2.9%	7.1%	6.7%
Operating income, including income from equity consolidated associated undertakings	70.6	0.3	21.9	92.8	97.4	9.0	22.0	128.4

** Consolidated financial statements presented in comparative include retrospective application of IFRS 9 (see notes 1 and 2 of the appendices to the consolidated financial statements).*

INCOME STATEMENT FOR THE MHA (MATERIAL HANDLING & ACCESS) DIVISION

The revenue of the MHA division increased 18% to €1 294.1 million. Demand for telescopic equipment and platforms remains very high and the division had an order book worth €858 million at 31 December 2018.

The division's gross margin improved 0.4 points despite operational efficiency damaged by tension in the logistics chain caused by the sharp acceleration of production volumes and an unfavourable exchange rate context.

Costs dedicated to research and innovation were up by €2.9 million, corresponding to the development of new products and adaptation of machines to Euro V engine standards.

Overhead costs increased by €8 million (+11%), half of which corresponds to commercial expenses.

The recurring operating income of the MHA division therefore increased by 31% to reach €100.0 million, compared with €75.9 million in 2017.

INCOME STATEMENT FOR THE COMPACT EQUIPMENT PRODUCTS (CEP) DIVISION

The Compact Equipment Products division saw the group's sharpest increase in revenue, +28% or +€69.5 million, to achieve €313.5 million.

The gross margin was up 1.6 pt to 13.7% in a context of sharp increases in the steels associated with the customs barriers put in place in the United States of America, which were in part passed on to customers. The division also benefited from a favourable product mix with significant development of materials with greater complexity and more capacity.

R&D costs and overheads were up 13%, representing 10.7% of the 2018 revenue, as compared with 12.1% in 2017.

Operating income increased by €9.3 million to 3.0% of revenue, after a balanced 2017.

INCOME STATEMENT FOR THE SERVICES & SOLUTIONS (S&S) DIVISION

The Services & Solutions division posted 10% growth in revenue to reach €276.0 million, with a more marked increase in service activities.

Gross margin increased 0.2 pt to reach 26.3% for the period.

Overheads increased by 13.6%, with the division having reinforced the means in place, geared towards support and the creation of value for customers, in a medium-term development vision.

As a result, operating income fell by 0.5 pt to 7.1%.

2.2.3. FINANCIAL STRUCTURE

The operating working capital requirement, excluding sales financing, stood at €536 million at 31 December 2018, as compared with €433 million at 31 December 2017, i.e. an increase of 24%.

This increase is explained by the strong growth in business, with an impact on the level of trade receivables and trade accounts payable, and by high stock levels (+27% compared with 2017).

The stock level conveys the desire:

- to increase stock of components to limit production line stoppages associated with supply interruptions,

- to store Stage IV engines purchased early to benefit from the flexibility afforded by the Stage V standard (see 2.3).

Finished product stock is also high. This stock includes machines intended for large rental companies, for whom orders are large in terms of quantity and deliverables in the first quarter of each year, meaning that production must be anticipated to keep lead times acceptable for the group's other customers.

At 31 December 2018, shareholders' equity was €597 million, as compared with €533 million at 31 December 2017. Shareholders' equity represented 46% of the total balance sheet as compared with 49% in 2017.

Given the sharp increase in the working capital and investment requirement, which was up €20.6 million, the level of the group's net debt reached €148 million at the end of 2018, as compared with €76 million at the end of 2017.

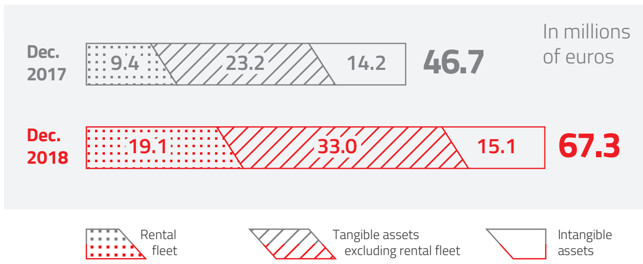
The gearing level increased from 14% to 25%.

2.2.4. INVESTMENTS

To accompany its growth, the group continued to invest, with investments at €67.3 million in 2018 compared with €46.7 million in 2017.

Intangible investments accounted for 22% of investments, i.e. €15.2 million. They corresponded to development costs for new products or technologies (€10.0 million) and investments in IT solutions (€5.1 million).

Tangible investments accounted for 78% of investments, of which 7% was in buildings, 43% in industrial equipment and 28% in fleets of equipment, with the group pursuing its strategy of developing services, including rental activities.



SUMMARY OF INVESTMENTS BY TYPE

in thousands of euros	31.12.2017	31.12.2018
Development costs	7 593	9 469
Other intangible fixed assets	6 561	5 661
TOTAL INTANGIBLE FIXED ASSETS	**14 153**	**15 130**
Land	1 846	3 047
Buildings	1 360	1 370
Plant, machinery and equipment	6 242	6 424
Rental fleet	9 368	19 146
Other tangible fixed assets (excl. rental fleet)	7 341	6 519
Tangible fixed assets under production	6 365	15 637
TOTAL TANGIBLE FIXED ASSETS	**32 522**	**52 142**

PRINCIPAL INVESTMENTS IN PROGRESS

At the time of filing of this registration document, there were no individual significant projects in progress other than:

- the continued deployment of the group ERP in the group's subsidiaries,
- the investment in a new building in Île-de-France for Manitou Center activities,
- the expansion of the Italy plant.

FUTURE SIGNIFICANT INVESTMENTS

Future significant investments relate to the continued modernisation of industrial facilities, the extension and acquisition of buildings, the renewal of the rental fleets and the upgrade of IT systems, in particular:

- construction of a new factory in Candé, due for completion in 2020,
- construction of a new head office in Ancenis, due for completion in 2020,
- acquisition of a new building for the Manitou Center activity in Germany, due for completion in 2019.

2.2.5. CASH FLOW

Gross cash flow increased from €39.7 million to €121.7 million, as compared with €82.0 million in 2017. This improvement is due to the continuing increase in the group's profitability.

The working capital requirement increased by €108.0 million, due in particular to the increase in stocks of +€114.4 million to allow for the strong increase in manufacturing output and customer demand. This variation is partly offset by an increase in trade accounts payable.

Operating cash flow was -€4.7 million, as compared with €35.3 million in 2017.

Investment flows increased €6.6 million, as compared with the previous period, to €41.5 million.

The group also distributed dividends for €23.9 million.

Thus, at 31 December 2018, cash flow was -€0.6 million, as compared with an opening cash flow of €34.1 million.

€M	2017	2018
Earnings before depreciation and amortisation	82.0	122.5
Variation in WCR	-37.4	-108.1
Immobilised rental fleet	-9.4	-19.1
Operational flows	**35.3**	**-4.7**
Development investment	-39.8	-46.4
Dividends received from associates	4.6	4.9
Investment flow	**-35.2**	**-41.5**
Dividends paid	-16.4	-23.9
Other financing flows	1.3	36.0
Financing flow	**-15.1**	**12.1**
Net cash var.	**-15.0**	**-34.0**

2.2.6. TAX POLICY

The Manitou group undertakes to manage its tax policy in a responsible and transparent fashion.

The group ensures that Manitou BF and its subsidiaries comply with all of the tax rules and laws that apply in all of the countries where the Manitou group operates. In particular, this means that all of the tax declarations required by the law or regulations are submitted in due course, and that all of the taxes and deductions are paid as a result. With regard to cross-border transactions, Manitou complies with OECD rules and ensures that the transfer price policies implemented within the group respect the "arm's length" principle. Furthermore, the group does not put in place aggressive tax strategies that are out of touch with operational reality or artificial tax arrangements. The group does not therefore have any subsidiaries in countries considered to be tax havens.

In 2018, the consolidated corporation tax amount recorded by Manitou was €38.1 million. This amount corresponds to an effective tax rate of 31.7% in 2018 (32.1% in 2017). The group's effective tax rate is lower than the corporation tax rate in France, where the Manitou BF head office is established. The difference between the group's effective tax rate and the French corporation tax rate (34.4% for the 2018 tax year, excluding exceptional taxes additional to corporation tax) is explained in note 21.

The corporation tax expense in France stands at €20.9 million, that is to say 55% of the group's consolidated tax.

2.2.7. PARENT COMPANY MANITOU BF

MANITOU BF REVENUE

Revenue for Manitou BF was up 18% at €1 371 million as compared with €1 165 million in 2017, driven by strong growth in sales of telehandlers and platforms.

From a geographical point of view, Northern Europe and the Americas saw the sharpest acceleration, although the Southern Europe zone continued to grow. The APAM zone (Asia, Pacific, Africa & Middle-East) was very slightly down.

MANITOU BF RESULTS

In 2018, the operating profit was €53.4 million, up 17% as compared with the previous year. It ended at 3.9%, namely a performance equivalent to 2017.

The favourable effect of the strong increase in activity was subdued by the offset generated in application of selling price increases in relation to purchase price increases as a result of the very long order book, additional operational costs linked to ramp-up of production and higher overheads to support the group's international development.

The financial result saw a strong increase of €28.2 million, as a result of the revision of the value of equity securities by +€10 million for the period, while the adjustment in 2017 had been negative (-€8 million). The financial result also included dividends received, which were up €13 million for the period.

Tax expenditure increased by 20% to €15.8 million taking into account the financial performance for the period. It should be noted that 2017 incorporated payment of an exceptional tax (15% of the tax) decided on by the French government in December 2017. Net income stood at €69 million, as compared with €38 million in 2017.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) DATA

The principal aggregated items for Manitou BF under IFRS standards are a turnover of €1 139 million, a recurring operating income of €55 million and a net income of €44 million.

2.2.8. ACTIVITY AND RESULTS OF THE PRINCIPAL ASSOCIATED COMPANIES

MANITOU FINANCE FRANCE

This company, 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, offers financing, financial leasing and long-term rental solutions for end users of the Manitou group's products in France.

In 2018, the entity had a financial output of €55.2 million. The net income was €1.8 million, accounted for under the equity method at €0.9 million.

MANITOU FINANCE LTD

This company, 49% owned by Manitou BF and 51% by BNP Paribas Leasing Solutions, offers financing, financial leasing and long-term rental solutions for end users of Manitou products in the United Kingdom, as well as stock financing solutions for dealerships. Medium-term financial output reached €79.9 million in 2018. Net income after tax of €2.9 million was accounted for under the equity method for €1.4 million in the group accounts.

2.2.9. OTHER INFORMATION RELATING TO THE 2018 FINANCIAL YEAR

NON-DEDUCTIBLE ITEMS PROVIDED FOR UNDER ARTICLES 39-4 AND 39-5 OF THE FRENCH GENERAL TAX CODE

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the accounts for the financial year just ended included a sum of €466 451, corresponding to rental charges and the non-tax-deductible portion of attendance fees.

INFORMATION RELATING TO ACCOUNTING STANDARDS AND CONSOLIDATION METHODS

The financial statements of Manitou Group at 31 December 2018 were drawn up, on the balance-sheet date, in accordance with the IFRS standards, as adopted by the European Union. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the Standard Interpretations Committee (SIC) interpretations thereof (endorsed by the IFRIC).interpretations.

The accounting methods and evaluation rules applied by the group in the consolidated financial statements at 31 December 2018 were identical to those used in the financial statements at 31 December 2017, with the exception of the changes in accounting methods associated with application of IFRS standards 9 and 15 (see note 1.2.1 and note 2 of the appendices to the consolidated financial statements).

All companies were consolidated using the full consolidation method, with the exception of Manitou Finance Ltd. and Manitou Finance France SAS. Shares in Hangzhou Manitou Machinery Equipment are classified as assets available for sale (see note 4 of the appendices to the consolidated financial statements).

UTILISATION OF THE TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT LEVY (CICE)

Manitou BF booked a tax credit of €2.9 million against payroll expenses corresponding to the CICE levy for the financial year. This tax credit was used in accordance with the objectives laid down by law.

INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS OF MANITOU BF

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, we hereby indicate that at the end of the financial year, the balance of debts to suppliers, broken down by payment due date, is as follows.

Payment period	0 days	1-30 days	31-60 days	61-90 days	91 days or more	TOTAL 1 day or more
Number of bills concerned	-					2 894
Total amount of the bills concerned before tax (millions of euros)	-	4.7	0.4	0.5	1.4	7.0
Percentage of total purchases before tax for the financial year	-	0.4%	0.0%	0.0%	0.1%	0.7%
BILLS EXCLUDED FORM (A) RELATING TO ACTIONABLE DEBT OR CLAIMS NOT BOOKED TO THE ACCOUNTS						
Number of bills excluded						1 066
Total amount of bills excluded (millions of euros)						4.1

The payment period used for these calculations is the contractual period. It is based on the statutory periods, although they may be shorter for certain suppliers (45 days from the end of the month for goods not imported, 30 days for carriers and certain service providers, and less than 30 days for certain other service providers).

INFORMATION ON PAYMENT PERIODS FOR CLIENTS OF MANITOU BF

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, we hereby indicate that at the end of the financial year, the balance of bills issued but not settled by our clients, broken down by payment due date, is as follows.

Payment period (a)	0 days	1-30 days	31-60 days	61-90 days	91 days or more	TOTAL 1 day or more
Number of bills concerned	-					9 001
Total amount of the bills concerned before tax (millions of euros)	-	12.5	3.4	2.3	7.6	28.5
Percentage of total revenue before tax for the financial year	-	0.9%	0.3%	0.2%	0.6%	2.0%
BILLS EXCLUDED FORM (A) RELATING TO ACTIONABLE DEBT OR CLAIMS NOT BOOKED TO THE ACCOUNTS						
Number of bills excluded						0
Total amount of bills excluded						0

For France, the payment periods used for these calculations are the minimum statutory periods, if not shorter for certain clients (45 days from the end of the month). For exports, the periods vary depending on the geographical region concerned.

2.3. RESEARCH AND DEVELOPMENT

INFORMATION ON RESEARCH AND DEVELOPMENT

In line with its strategy and its ambitions, the group continues to invest in innovation, improving its products, and introducing new product models and services. The development teams are distributed among seven research offices and represent 7% of the group's workforce. The principal R&D development areas are technical innovation, and the development of new designs, services and concepts, as well as updating existing ranges to prepare for legislative and regulatory changes.

In 2018, the Manitou group continued to roll out innovations, focusing on enhanced user comfort, a reduction in the environmental impact of machines and improved performance. In particular, the group:

- was the first in the world, within the context of collaboration with an engine manufacturer, to present a fully electric telehandler prototype. This protoype complies with the group's CSR approach and demonstrates Manitou's commitment to reducing operating costs, fuel consumption and the pollutant emissions of its machines,
- introduced several "low hybrid" models onto the market, with solutions for stopping the engine when the machine is not being used,
- prepared, for 2019, a digital offer intended for all of its customers with connected machines. An application provides information on the machine's condition and its location, and advice, including in the form of videos,
- continued its work to respond to regulatory changes.

The materials designed and distributed by the group are subject to various statutory and regulatory requirements relating to harmful emissions, noise, visibility, safety, electromagnetic compatibility, the environment, etc. Changes in these requirements are among the common issues faced by Manitou and its competitors. The corresponding time scales for compliance are known several years in advance.

For example, in 2018, the Manitou group placed on the market machines compliant with the changes to the European "Tractors" Directive, which notably authorises agricultural vehicles to drive at 40 km/h on roads. This Directive calls for major technical changes to agricultural machinery (braking, steering, visibility, etc.).

From this year, the main regulatory change will be the European Stage V standard. This will replace the Stage IV standard with effect from 2019 and 2020, depending on engine power. This standard imposes a reduction in harmful emissions and introduces monitoring of the number of particles emitted. This change will require the installation of particle filters and result in an increase in engine prices.

The move to the Stage V standard is made easier by the option of stocking engines in advance. Constructors will be authorised to use up their stocks of old-generation engines after the effective date of the standard and during a given period. They may be used in the manufacture of machines for up to 18 months after the effective date for Stage V. Manufacturers will have an additional period of six months in which to sell the stocks of machines in which these old-generation engines are installed.

CHANGES IN DEVELOPMENT COSTS

in millions of euros and % of net sales for the financial year	2017 Amount	2017 % of net sales	2018 Amount	2018 % of net sales
Capitalized expenses	7.7	0.5%	9.6	0.5%
Non capitalised expenses and amortisation allowance	20.8	1.3%	23.9	1.3%
TOTAL	**28.5**	**1.8%**	**33.5**	**1.8%**

The group maintained its research and development costs in order to pursue the product plan established and to comply with the changes in requirements applicable to its products.

NEW PRODUCTS

The group continues to renew its product ranges in order to incorporate the changes in requirements and to make substantial improvements for its users.

2018 saw:

- the launch of the new articulated telehandler designed for the agricultural market,
- roll-out of the New Ag range recently launched on the American and non-Europe markets,
- finalisation of the renewal of the forklift truck range,
- an increased offering of platforms on the American market,
- renewal of our range of internal combustion articulated platforms.

Innovation within Manitou is intended to offer new solutions for machines, attachments and associated services, and to reduce the operating costs for these machines while at the same time improving their performance.

It is the result of:

- studies that provide a better understanding and appreciation of the technological changes that affect the group's businesses;
- ongoing monitoring of technological changes occurring in associated industry sectors (automotive, etc.);
- close collaboration with suppliers or institutions that develop innovative technological solutions.

It is also intended to meet the needs of the three types of client that may use a machine:

- owners, who expects high performance and a return on their investment;
- users, or drivers, who expects safety, usability and ease of use;
- those in charge of maintenance, who expects reliability and a high level of associated service.

INFORMATION ON PATENTS AND LICENSES

The group has a number of patents protecting the innovations implemented in its various research offices.

The total number of active patents at the end of the 2018 financial year was 94. In addition, 13 patent applications were filed in 2018.

Individually, none of the patents is strategic for the group. This does not therefore result in any reputational dependence.

2.4. STOCK MARKET INFORMATION

LISTING OF MANITOU SHARES

Manitou shares have been listed since April 24, 1984. They are listed on the Euronext Paris market compartment A.

SHARE CODE AND TICKERS

ISIN code:	FR0000038606
MNO:	MTU
REUTERS code:	MANP.PA
BLOOMBERG code:	MTU.FP

Manitou shares are eligible for OSRDs (Deferred Settlement Service Stock Exchange Orders).

INDEXES
CAC ALL SHARES
CAC ALL-TRADABLE
CAC INDUSTRIALS
CAC MID&SMALL
CAC PME
CAC SMALL
EN FAMILY BUSINESS
ENT PEA-PME 150

2.4.1. SHARE PRICE PERFORMANCE AND TRADING VOLUMES

Period	Volume	Highest EUR	Lowest EUR	Month end	Market capitalisation (millions of euros)
January 2017	525 639	21.5	18.4	21.2	837
February	333 820	22.4	20.1	20.9	827
March	475 970	24.5	21.0	24.5	969
April	425 457	29.7	23.9	29.0	1 149
May	434 260	31.5	25.7	28.6	1 132
June	366 418	29.2	27.1	27.3	1 082
July	232 031	29.7	27.2	29.7	1 175
August	195 022	31.5	27.4	27.6	1 094
September	258 172	32.9	27.5	31.8	1 258
October	378 329	34.8	31.6	34.0	1 347
November	361 135	34.0	27.3	31.4	1 244
December	225 638	32.7	29.9	30.5	1 208
TOTAL / HIGHEST / LOWEST	**4 211 891**	**34.8**	**18.4**		

Period	Volume	Highest EUR	Lowest EUR	Month end	Market capitalisation (millions of euros)
January 2018	307 723	34.4	29.5	34.4	1 361
February	341 143	37.3	32.1	36.6	1 448
March	464 721	36.8	31.4	34.5	1 365
April	248 355	37.7	32.1	37.7	1 494
May	293 087	38.0	35.2	35.5	1 404
June	347 717	36.8	31.1	32.3	1 279
July	463 507	33.0	29.9	32.6	1 293
August	268 933	34.8	30.7	31.2	1 238
September	266 438	32.5	28.7	31.9	1 263
October	374 634	31.9	22.2	25.0	990
November	311 108	26.6	22.0	25.7	1 017
December	421 911	26.4	18.5	22.4	889
TOTAL / HIGHEST / LOWEST	**4 109 277**	**38.0**	**18.5**		

Source: Euronext

2.5. EVENTS AFTER THE BALANCE-SHEET DATE AND OUTLOOK

2.5.1. EVENTS AFTER THE BALANCE-SHEET DATE

None

2.5.2. OUTLOOK

OUTLOOK FOR 2019

The dynamics of the orders booked and the size of the order book enable the group to anticipate growth in its revenue of 10% for 2019, combined with an improvement in its recurring operating income of about 40 basis points, that is to say around 7.3% of its revenue.

ROADMAP FOR 2018-2022

Manitou has set itself the objective of achieving revenue that exceeds market dynamics by extending its geographical presence, expanding its product ranges and building its innovation processes.

The strategic priorities in this regard will be the following:

- Improve customer engagement across the continents, and in particular in North America;
- Grow the group's portfolio of machines and services, in particular in compact equipment;
- Create value and performance through innovation, digital technology and transformation, in particular by using corporate social responsibility (CSR) as a driver for change;
- Develop the group's talents, in particular by fostering and maximising the experience of our staff.

Based on these factors, the Manitou group's objective is to achieve a recurring operating income in 2022 of more than 8% of revenue.

3. RISK FACTORS AND RISK MANAGEMENT

The company conducted a review of the risks that could have a material adverse impact on its business, its financial situation or its results (or ability to achieve its objectives) and held that they were no material risks other than those presented herein.

3.1. OPERATIONAL RISKS

The group is exposed to risks related to the economic cycles in its different markets, risks related to rising costs of raw materials, components and energy and to risks in relation to any portion of client receivables not covered by credit insurance. With regard to the cyclic nature of the markets by business sector, please refer to sections 2.1.2 (breakdown of sales by business sector) and 3.1.8 (country risk).

3.1.1. SUPPLIER RISKS

The group is specialized in the design and assembly of handling equipment. Purchases of raw materials and components account for about 70% of its turnover and occupy a predominant place in its industrial know-how and profitability.

The production tool output limits of some suppliers or a shortfall in the resources available to suppliers to finance their development or withstand volatility in their business activities constitute risks for the parent company and its subsidiaries. This risk is all the greater when there is strong business growth.

A number of supplier defaults have led to partial production stoppages in factories and to delays in the manufacturing or development of Manitou products.

The Manitou group is not totally dependent on any one supplier. However, replacement of a supplier may involve a lengthy selection and certification process. The more complex the unit involved (engines, axles, cabs, etc.), the more complex the replacement.

Supplier risks are mainly managed on the basis of the following:

- supplier mapping to measure their level of criticality;
- classification of supplier performance in order to identify the most critical and to establish action plans for each of them;
- financial rating of the main suppliers on the basis of analysis of financial factors;
- monitoring audits conducted by the purchasing and quality departments to check the availability and capacity of suppliers to meet the needs of the group in terms of quality, costs and deadlines;
- ongoing dialogue with suppliers about medium-term volumes,
- establishing resident teams among suppliers to assist them in improving their processes on an ongoing basis;
- a plan for substitution or avoiding duplication of the most sensitive supplies.

Among the divisions, the following lines have been identified for improving the reliability of supplier performance:

- strengthening contractual agreements with key suppliers;
- establishing a supplier rating system providing qualification and certification levels;
- strengthening performance measurement and action-plan monitoring systems;
- reforming the panel of suppliers established for each product category purchased based on precise and measurable specifications. The aim of this project is to gradually rationalize the number of suppliers while extending the geographical catchment area.

Share of the 10 main suppliers in material purchases in 2018 (%)	
1st	5%
First 5	18%
First 10	27%

The main supplier accounts for just 5% of purchases of materials and components.

Legislative changes make it essential to keep up with technical developments in line with the time tables specified by law (e.g. new, less polluting engines). Supplier delays in making available certain components that comply with the new regulations may lead the Manitou group to a situation where there is a shortage in the supply of the products targeted by the new laws in geographical areas that require them.

3.1.2. RISKS RELATED TO RAW MATERIALS AND COMPONENTS

The group is exposed to a risk in relation to raw materials, either directly through its material purchases or indirectly through components purchased from its suppliers. A finished product is made up of between 1 500 and 2 000 basic components.

The main components involved in machine manufacture are as follows:

- uncut or cut steel or sheet metal components;
- hydraulic systems (motors, pumps, hoses, cylinders);
- internal-combustion or electric engines;
- other mechanical components (transmissions, gearboxes);
- cabs.

The two main risks identified are:

- The supply risk associated with the depletion of natural resources, see chapter 4, note 4.1.1.
- The economic risk associated with variations in price that cannot be passed on to the selling prices of the group's products.

As the costs of raw materials and components account for a predominant portion of the cost price of the manufactured equipment, the group is highly exposed to fluctuations in its procurement costs. A major and sustained increase in the supply cost of materials and components could undermine the profitability of the company, as price increases cannot always be passed on to our clients.

To manage these risks, the Manitou group aims to make the most of various means of action, in particular:

- optimisation of sourcing, centralisation of procurement,
- identification of alternative materials, use of recycled materials.

However, the group does not use raw material hedging instruments. Indeed, the added value share integrated by the suppliers into the unitary value of each of the components varies greatly depending on the level of transformation integrated into each of the articles. This very wide spectrum, combined with clauses concerning revision or renegotiation of purchasing prices by suppliers, affects the correlation of changes in purchasing prices in relation to changes in raw material prices.

3.1.3. INDUSTRIAL RISKS

The main production risks are essentially limited to those that could result in fire or explosion at a particular site. The group has ten production or assembly sites around the world specialised by product range, along with two central spare-part distribution platforms. The sites at Ancenis in France, in Castelfranco in Italy and in Yankton, Waco and Madison in the United States are the main production units. The Ancenis centre has multiple buildings, some of which are located almost 1 km apart.

Substantial resources have been put in place at the main manufacturing sites and at the Spare Parts Logistics Centre to anticipate these risks and contain their immediate effects.

3.1.4. HUMAN RESOURCES RISKS

HEALTH AND SAFETY RISKS

More than 2 000 operators work in our factories manufacturing mechanically welded structures (chassis, booms and masts), in assembly or in paint booths. The main risks of our business are linked to:

- the workstation: workstation ergonomics, mechanical or manual tools, welding and grinding devices, etc.
- the workstation environment: movement of people and machines, risks of eye injuries, noise and vibrations, etc.
- the use of chemicals: glue, aerosols, etc.

These risks can have consequences for the health, well-being and physical integrity of Manitou personnel and external personnel working on the group's sites.

In order to anticipate and reduce as far as possible the potential risks for the health of group and third-party employees, Manitou is committed to a prevention and training policy. These actions are amongst the group's priorities.

See also notes 4.4.1 and 4.4 of this document.

DEPENDENCE ON PEOPLE OCCUPYING KEY POSITIONS AND ON QUALIFIED PERSONNEL

The group's success depends largely on the ongoing contribution of its Board of Directors, its Executive Board and the company's teams of experts.

If one or more members of the Board of Directors, the Executive Board or highly qualified personnel leave the group, this could have a negative impact on its business. In order to mitigate this risk, the group implements a social policy aimed at keeping, developing and promoting its qualified employees (see section 4.3 of this reference document). In addition, Jacqueline Himsworth, Marcel-Claude Braud, Gordon Himsworth, Emilie Braud, and Christopher Himsworth, who sit on the Board of Directors, are stated as being connected by family ties. On 3 May 2017, the family shareholders signed a 4-year shareholder agreement.

For further details of the composition of the governing bodies, please refer to notes 5.1 and 5.2 of this document.

TALENT-RELATED RISKS

Given the nature of its business, the group's success depends to a large extent on the expertise and involvement of its employees. The availability, the skills and the commitment of Manitou employees are therefore key factors for the group's success.

In a competitive environment, if the Manitou group were to lose certain employees or were no longer able to attract new talent, its growth prospects or its financial situation could be affected. The Manitou group works in particular with the "Join the Up Movement" programme to attract and retain the best talent in order to protect the smooth operation of its business.

See also notes 4.1.1 and 4.3.3 of this document.

3.1.5. ENVIRONMENTAL RISKS

The group's industrial activity carries risks of air, water and soil pollution. Discharges of volatile organic compounds into the atmosphere and the risks of water pollution are linked to the painting activity. There is also a risk of chemical spillage. Furthermore, like any industrial activity, the Manitou group's sites are also exposed to fire and explosion risks (linked to the battery charging rooms and the paint booths). Such events could cause bodily injury or damage to property and the environment, and potentially have a negative impact on Manitou's business, financial situation and image.

See also notes 4.1.1 and 4.4 of this document.

3.1.6. PRODUCT QUALITY RISKS

Equipment manufactured by the group uses complex technologies, such as hydraulics or on-board electronics. In order to control the quality and reliability of these manufacturing processes, the main factories in the group have a certified ISO 9001 quality control system that ensures the quality and reliability of the manufactured equipment.

For new products, a product control and approval process has been implemented to check the quality of components and their compliance with the specifications as regards reliability and safety. Despite the significant resources put into operation, the parent company and its subsidiaries cannot guarantee that design or production delays or errors will not occur with regard to existing or future product ranges. If such cases emerge, they would affect the group's net profit and financial position.

For further details, please refer to note 2.3 of this document.

3.1.7. RISKS ASSOCIATED WITH USE OF MANITOU MACHINES

Every day, 500 000 people use our machines and although our equipment, because of its very nature, provides security, there is a real risk of accident. Occurrence of an accident involving a handling machine is always linked to the combination of several factors: the choice of a machine and its equipment not suited to its environment, or a lack of knowledge or misuse of the equipment. A faulty machine can also involve a design or maintenance fault.

Problems associated with equipment safety and safe use could cause bodily injury or damage to property and the environment, and potentially have a negative impact on Manitou's business, financial situation and image.

The design, the equipment, the existing processes and the user manuals are continuously improved by Manitou so as to prevent as many of these risks as possible.

See also note 4.1.1 of this document.

3.1.8. COMMERCIAL RISKS

RISK OF NON-RENEWAL OF MAJOR CONTRACTS

PARTNERSHIP WITH YANMAR

The Manitou group has a technical partnership with the Yanmar group, a Japanese engine group involved in the manufacture of construction equipment and a shareholder of Manitou BF. Yanmar also distributes Manitou products intended for the Japanese agricultural market.

PARTNERSHIP WITH HANGCHA

Since 2012, Manitou has subcontracted the manufacture of low-tonnage internal-combustion forklift trucks designed and developed by Manitou teams to Hangcha, along with the manufacture of high-tonnage electric and internal-combustion forklift trucks.

OTHER PARTNERSHIPS

In addition, the Manitou group distributes forklift trucks under a dealership agreement in France.

COUNTRY RISKS

The group distributes its products in more than 140 countries, either directly to major companies or through a network of independent dealers. The emergence of any economic, financial, banking or political crisis could affect the financial position of the group and its operating income.

An unfavourable economic environment could affect the activities of the group and hence its financial results. Periods of reduced economic activity, and especially crisis periods, could therefore contribute to a substantial reduction in demand on one or more geographical markets.

The activities of the group in a number of countries involve risks, and in particular: GDP volatility, economic and political instability, possible civil unrest, regulatory changes, payment collection problems, major interest-rate and exchange-rate fluctuations, a lack of foreign currency liquidity and exchange-rate control measures. For further details of the management of distributor-related risks, please refer to section 3.2.4, Credit risks. It should be specified that the largest distributor or direct client accounted for less than 2% of the group's turnover.

3.1.9. RISKS RELATED TO ANY PORTION OF CLIENT RECEIVABLES NOT COVERED BY INSURANCE

In the course of its commercial activities, the group faces the risk of insolvency among its clients with regard to any portion of the receivables not covered by insurance.

A central credit management function is responsible for supporting the needs of commercial subsidiaries on an ad hoc basis in dealing with highly technical or sensitive cases.

3.1.10. LEGAL RISKS

RISKS RELATED TO LEGISLATION AND THE REGULATORY ENVIRONMENT

The group's activities are subject to various legislations, that can be complex and are liable to change. The group cannot therefore rule out any risk of non-conformity. However, the Manitou group focuses particular attention on compliance with prevailing legislation and the actions to be taken to conform and to adapt its activities to new regulations, recommendations and national, European and international rules. For instance, the Manitou group is adapting its anti-corruption procedures and practices to comply with the French Law on Transparency, the Fight against Corruption and the Modernisation of Economic Life (the so-called "Sapin 2 Law") that came into force in France on 9 December 2016.

See also notes 4.1.1 and 4.5.2 of this document.

REGULATIONS SPECIFIC TO INDUSTRIAL ACTIVITY

The group designs, assembles and distributes high-technology products that meet the standards laid down by administrative authorities and supra-national or national bodies.

The development of standards and regulations continually raises new issues for equipment design and leads to major investments being made in product development. These standards lay down increasingly strict requirements, notably to limit CO_2 emissions (see note 2.3).

The regulatory authorities in the European Union, Japan, the USA (the Environmental Protection Agency (EPA)) and Canada have agreed on regulations for non-road diesel equipment to reduce the following polluting emissions:

- carbon monoxide (CO);
- hydrocarbons (HC);
- particulate matter (PM);
- nitrogen oxides (NOx).

This led to the introduction of Stage III and IV regulations in Europe and Final Tier 4 in the United States. These standards impose further reductions in particulate matter and nitrogen oxide levels. They are accompanied by the development of new fuels (NRD - non-road diesel) and new types of engines, notably using particle filters and nitrogen oxide reduction systems.

Europe is continuing to develop its regulations with Stage V. This standard imposes further reductions in particulate matter emissions and introduces monitoring of the number of particles emitted as from 2019 or 2020, depending on the engine. This development would mean extending the use of particle filters, leading to higher engine prices.

The table below sets out the schedule for transition through phases IIIA to IIIB, IV and V based on engine power rating.

EXHAUST EMISSIONS REGULATIONS

EC NRMM

<table>
<tr><th>Output</th><th>0-19 kW</th><th>19-37 kW</th><th>37-56 kW</th><th>56-130 kW</th><th>> 130 kW</th></tr>
<tr><td>2010</td><td rowspan="9">NO REGULATION</td><td rowspan="9">STAGE IIIA</td><td rowspan="3">STAGE IIIA</td><td rowspan="2">STAGE IIIA</td><td>STAGE IIIA</td></tr>
<tr><td>2011</td><td rowspan="3">STAGE IIIB</td></tr>
<tr><td>2012</td><td rowspan="3">STAGE IIIB</td></tr>
<tr><td>2013</td><td rowspan="6">STAGE IIIB</td></tr>
<tr><td>2014</td><td rowspan="5">STAGE IV</td></tr>
<tr><td>2015</td><td rowspan="5">STAGE IV</td></tr>
<tr><td>2016</td></tr>
<tr><td>2017</td></tr>
<tr><td>2018</td></tr>
<tr><td>2019</td><td rowspan="3">STAGE V</td><td rowspan="3">STAGE V</td><td rowspan="3">STAGE V</td><td rowspan="3">STAGE V</td></tr>
<tr><td>2020</td><td rowspan="2">STAGE V</td></tr>
<tr><td>2021</td></tr>
</table>

New-generation engines require diesel of a specific quality, which currently makes it impossible to market machines complying with these new standards in those countries with low levels of regulation.

The Manitou group has made efforts for several years to find improved engine technologies that meet the regulations while optimising the performance of its machines and has mobilised a significant proportion of its research and development resources to achieve such changes. The group has had to establish product ranges that are marketable by region to meet the requirements of those geographical areas where these regulations apply, while continuing to produce machines that are suitable for other areas.

The transition from one standard to another involves flexibility clauses which can vary from one continent, country or region to another.

Legislative and regulatory changes create a great deal of complexity for manufacturers, entailing:

- major research and development efforts in order to rescale all machines to allow for the features of the new engines;
- a risk of a commercial supply shortage in the event of failure to develop a machine that is compatible with the new regulations within the allocated deadlines (delays may originate from Manitou or from its suppliers);
- a balance-sheet risk linked to the acquisition in advance of quantities of engines intended to cover the transition phases;
- a quality risk related to the storage of engines that must be packaged to meet constant humidity and temperature requirements. Inspections have been introduced to check the condition of the engines before any assembly work;
- a risk related to the limited capacity of engine manufacturers to supply in advance the numbers of engines required for the transition phase (the situation encountered in 2011 is a reminder of this);
- a substantial increase in the cost price of new machines without necessarily being able to pass this increase on to the client immediately and with no particular advantage for the end user, which puts pressure on profit margins;
- increased pressure from the competition during new product launch periods that is difficult to predict and leads to substantial pressure on profit margins.

In principle, States comply with legislative and regulatory changes and with the schedule established by the regulatory authorities.

However, there is a risk that a number of States or regions may decide to apply the standards more restrictively, preventing the pre-buy use of engines in order to encourage the entry into effect of less polluting engines.

All changes in the application schedule in one or more areas accounting for a significant volume of business of the group could lead to a risk of pre-buy engine stocks becoming obsolete.

In the transition to the Stage IV standard, the Manitou group demonstrated its capacity to manage pre-storage operations.

LITIGATION RISK

Several companies in the group are currently involved in disputes or legal proceedings.

Disputes may be commercial in nature or concern employees or tax. Provisions recorded correspond to the group's and its advisers' best estimates at the closing date of the risks incurred with respect to the litigation in process.

To the group's knowledge, there has been no litigation nor government or court proceedings in the past twelve months other than those referred to below, nor is any arbitration under way or likely to occur that could have a material impact on the company's financial situation, business activities or profits.

Litigation for infringement of intellectual property rights

In May 2017, the Manitou group was served a writ of summons by the company J.C. Bamford Excavators Limited (JCB), in France, the United Kingdom and then in Italy for infringement of two European patents. In December 2018, JCB again served a writ on the group for a third patent.

At the current stage in the proceedings, the financial risk that could be incurred is difficult to estimate. In addition, an outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou in its defence. Consequently, no provision has been set aside in the group's accounts for these claims.

Also see note 3 of the notes to the consolidated accounts at 31 December 2018, chapter 6.1.5.

3.2. FINANCIAL RISKS

Financial risks are the responsibility of the financial divisions of the parent company and of each subsidiary. All strategic decisions related to the group's financial-risk hedging policy are managed by the Finance division in a Financial Hedge Management Committee. Note 10 of the notes to the consolidated accounts refers to this paragraph on financial risks.

3.2.1. FINANCING AND LIQUIDITY RISKS

The group's financing and liquidity risks correspond to the risks of not being able to:

- fully or partially renew existing financing or put new financing in place,
- meet a payment obligation on its maturity date.

Financing risks could affect the ability of the group to meet its payment commitments, its financing costs or the restrictive constraints attaching to its financing.

The Finance division is responsible for managing these risks.

MANAGING FINANCING AND LIQUIDITY RISKS

The Finance division has the task of ensuring that the group has financing and liquidity at the most advantageous cost and under the best terms and conditions.

Management of the group's cash is centralised with the parent company insofar as permitted by local legislation and operational constraints. Cash surpluses are therefore placed by the subsidiaries with the parent company, from where the group's financing needs are funded.

The group's financing needs are met, firstly, through bank financing arrangements (bank credit or overdraft agreements) and, secondly, through bond issues, with the aim of diversification.

Long-term financial resources are mainly concentrated with the parent company.

At 31 December 2018, total authorized bank credit facilities amounted to €185 million, in addition to €67 million in authorized ordinary overdrafts.

Net debt* amounted to €148 million at 31 December 2018.

Credit agreement of December 2016

In 2016, Manitou BF rearranged and extended its main financing contract for a 5-year term, with two options for one-year extensions, which have been exercised. This contract includes ratio clauses (covenants) and "material adverse change" and "cross default" clauses that could restrict the possibilities for drawdown or affect the term of the credit facilities. It includes negative pledge* clauses to which thresholds and exemptions are attached.

At 31 December 2018, the covenants applying to all the financing facilities had been complied with and the existing facilities will cover all the financing requirements for the next 12 months.

Bank overdraft facilities

The group has bank overdraft facilities that ensure liquidity in line with its needs.

The company has specifically reviewed its liquidity risk and, on the date of on which this document is filed, believes that it will be able to meet its future payment deadlines.

** Terms defined in paragraph 7.7.*

FINANCIAL LIABILITY PAYMENT SCHEDULE AT 31 DECEMBER 2018

Credit facilities in millions of euros	Beneficiaries	Maturity	Amount in local currency	Amount in euros	Amounts drawn down at 31.12.2018	Less than 1 year	1 to 5 years	Over 5 years
CREDIT AGREEMENT (DEC. 16)								
Revolving Facility *multi-currency (USD/EUR)*	Manitou BF or Manitou Americas	Dec. 23	180	180	84	84	0	0
OTHER FINANCIAL LIABILITIES								
Bond 2	Manitou BF	Dec. 19	12	12	12	12	0	0
Bond 3	Manitou BF	Jul. 22	25	25	25	0	25	0
Other bank loans	Manitou BF	Dec. 24	4	4	4	1	3	0
Other*	Miscellaneous		67	67	30	30	0	0
GROUP TOTAL				**288**	**156**	**128**	**28**	**0**
Finance lease loans					1			
Derivative instruments					5			
Buyback commitment for minority interests and other debts					18			
TOTAL FINANCIAL DEBT					**180**			
Cash and financial assets					32			
TOTAL NET DEBT					**148**			

** Primarily ordinary bank overdrafts*

The bank margin applied to the Revolving Facility varies from 75 to 175 basis points, depending on a leverage ratio* divergence of up to 3.5. At 31 December 2018, the leverage was 0.9.

The different facilities mentioned above are intended to finance all group operations (general purpose).

At 31 December 2018, the payment schedule for assets and liabilities linked to financing amounted to €288 million, of which €156 million had been drawn down by that date. In addition, it should be pointed out that the group had ordinary bank overdraft facilities amounting to €67 million on the publication date (not including the Revolving Facility and debts linked to the sales financing activity). For further details please refer to note 10.6 of the appendices to the consolidated financial statements in this registration document.

SUMMARY OF THE TERMS AND CONDITIONS ATTACHING TO THE CREDIT FACILITIES

Facility	Signatory	Main contractual clauses 2nd half of 2016 to second half of 2023
Revolving Facility	Manitou BF	Gearing* < 1 Leverage* < 3.5 except in certain cases Cap on investments Cap on acquisitions and disposals of assets Limits on additional debt Clause on changes in control Dividends are limited to 100% of net income

Note 10 "Current and non-current financial liabilities" in the appendices to the consolidated financial statements sets out all the group's debts in detail.

All clauses related to ratios or covenants, "material adverse change" and "cross default" had been complied with on the date on which this registration document was filed.

** Terms defined in paragraph 7.7.*

3.2.2. INTEREST-RATE RISK

INTEREST-RATE RISK

Gross debt mainly corresponds to long-term funding, initially agreed partly at a fixed rate and partly at a variable rate. The risk arises from the impact interest-rate changes would have on the group's financial expenditure.

INTEREST-RATE RISK MANAGEMENT

The interest-rate management policy is coordinated and supervised by the Finance division of the parent company with the aim of protecting future cash flows and optimizing and reducing volatility and finance costs.

The group uses a variety of instruments available on the market, and in particular interest-rate swaps.

CREDIT FACILITIES

The group has financial debts for its general operational financing. These commitments are partly based on a variable interest rate. The risk of interest-rate changes has been partially hedged by various financial instruments (variable rate-fixed rate swaps, variable rate-variable rate swaps, etc.).

It is always possible that the interest rate on any unhedged portion of loans may rise in the future. This could have a negative impact on the group's net profit and financial position. Sensitivity to interest rates and the hedge rate are set out in the table below. The sensitivity tests show the impact on pre-tax profit. No impact on equity capital was identified.

INTEREST-RATE HEDGING AND DEBT SENSITIVITY

Hedging of the confirmed bank debt at a variable interest rate	Hedge rate				Impact of a +0.5% interest-rate change**
	Fixed-rate hedge	Tunnel	Cap	Total*	
31.12.2018	0%	0%	59%	59%	
31.12.2019	0%	29%	88%	118%	€0.23m
31.12.2020	0%	29%	88%	118%	€0.15m
31.12.2021	0%	44%	88%	132%	€0.15m

** On the basis of the variable-rate bank debt at 31 December 2018.*

*** On the basis of the 3-month Euribor rate of -0.309% applied on 31 December 2018 (pre-tax profit impact), disregarding the impact of hedging.*

For all additional details, please refer to Notes 10.7 and 10.8 of the consolidated financial statements.

3.2.3. FOREIGN-EXCHANGE RISK

Foreign-exchange risk: corresponds to the impact of exchange-rate fluctuations on the profit and loss account, balance sheet and/or cash generation. The exchange-rate risk arises either when transactions are undertaken or on exposure through conversion.

All major contractors, as defined by the OECD guideline, bear the exchange-rate risk arising from the sale of their products. In view of the respective size of the organizations and the geographical spread of product distribution, Manitou BF is the most sensitive company in the group and incurred exchange-rate losses in 2018.

Exchange-rate risk on transactions: arises when purchases or sales take place in a currency other than the operating currency of the entity in which the transaction takes place.

The group strives to minimize the exchange-rate risk of each entity in relation to its operating currency. The Finance division of the parent company or, more rarely, of the subsidiaries, hedges the most significant flows against exchange-rate risks for the net amount of their currency exposure after allowing for purchases made in foreign currency.

In 2018, the group billed about 34% of its sales in foreign currencies, mainly in US dollars (17%), sterling (10%), Australian dollars (3%) and South African rand (1.6%), the other currencies being the Russian rouble, the Singapore dollar, the Indian rupee, the Brazilian real and the Chinese yuan. In 2018, exchange-rate hedges mainly consisted of forward sales of Sterling, Australian dollars, Russian roubles and South African rands, or of forward put options on these currencies.

A significant exchange-rate change could affect the Manitou group's profits due to the impact on currency conversion that it would generate and the pressure it might exert on sales prices in certain geographical regions.

The sensitivity analysis was performed based on receivables, liabilities, net cash position and financial assets available for sale at 31 December 2018 for the main currencies used by the group as part of its operating activities.

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

31.12.2018 in thousands of euros **Receivables and debts denominated in a foreign currency Breakdown by operational currency**	**AUD/ euros +5%**	**GBP/ euros +5%**	**USD/ euros +5%**	**ZAR/ euros +5%**	**SGD/ euros +5%**	**RUB/ euros 5%**	**BRL/ euros 5%**	**INR/ euros 5%**
EUROS								
Receivables (AUD, GBP, USD, ZAR, RUB, BRL, INR)	791	1 730	1 159	486	0	0	266	0
Debts (GBP, USD, BRL)	-1	-130	-8	0	0	0	-1	0
Net cash and cash equivalents (AUD, GBP, USD, ZAR, SGD, BRL)	29	257	3 593	0	180	0	0	0
SUB-TOTAL	**818**	**1 857**	**4 744**	**487**	**180**	**0**	**265**	**0**
AUD								
Receivables (euros)	-7							
Debts (euros)	0							
Cash and cash equivalents (euros)	-108							
SUB-TOTAL	**-115**							
GBP								
Receivables (euros)		-144						
Debts (euros)		3						
Cash and cash equivalents (euros)		-117						
SUB-TOTAL		**-259**						
USD								
Receivables (euros)			-713					
Debts (euros)			137					
Cash and cash equivalents (euros)			-98					
SUB-TOTAL			**-674**					
ZAR								
Receivables (euros)				0				
Debts (euros)				4				
Cash and cash equivalents (euros)				0				
SUB-TOTAL				**4**				
SGD								
Receivables (euros)					-159			
Debts (euros)					250			
Cash and cash equivalents (euros)					-174			
SUB-TOTAL					**-83**			
RUB								
Receivables (euros)						-131		
Debts (euros)						148		
Cash and cash equivalents (euros)						0		
SUB-TOTAL						**16**		

31.12.2018 in thousands of euros Receivables and debts denominated in a foreign currency Breakdown by operational currency	AUD/ euros +5%	GBP/ euros +5%	USD/ euros +5%	ZAR/ euros +5%	SGD/ euros +5%	RUB/ euros 5%	BRL/ euros 5%	INR/ euros 5%
BRL								
Receivables (euros)							0	
Debts (euros)							0	
Cash and cash equivalents (euros)							-452	
SUB-TOTAL							**-452**	
INR								
Receivables (euros)								-5
Debts (euros)								18
Cash and cash equivalents (euros)								0
SUB-TOTAL								**13**
TOTAL	**704**	**1 598**	**4 070**	**490**	**97**	**16**	**-187**	**13**

THE NET POSITION OF OPERATIONAL ACTIVITIES IN THE MAIN FOREIGN CURRENCIES IN RELATION TO THE EURO IS AS FOLLOWS.

Vs EUROS in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
AUD	17 210	-26	17 184	-29 330	-12 146
GBP	41 729	-2 736	38 993	-147 310	-108 317
USD	99 793	-166	99 627		99 627
ZAR	10 217	0	10 217	-9 234	983
Other currencies	9 378	-23	9 355	-14 491	-5 136
TOTAL	**178 327**	**-2 951**	**175 376**	**-200 365**	**-24 989**

compared to USD in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUROS	15 417	-2 587	12 830		12 830
Other currencies	0	-78	-78		-78
TOTAL	**15 417**	**-2 665**	**12 752**	**0**	**12 752**

compared to GBP in thousands of euros	Assets	Liabilities	Net currency position before hedging	Financial hedging instruments*	Net currency position after hedging
EUROS	4 967	-51	4 915		4 915
Other currencies					
TOTAL	**4 967**	**-51**	**4 915**	**0**	**4 915**

** Apart from the open positions at 31 December 2018, the group hedged part of its future operating transactions in foreign currencies. The derivative instruments contracted for these future transactions were treated as cash flow hedges, since there is a hedging relationship within the meaning of accounting standard IAS 39. We would also specify that the impact of the sensitivity tests is recognised in the pre-tax profit account. No equity capital impact was identified. For further details, please refer to note 10.8 of the notes to the consolidated financial statements at 31 December 2018, chapter 6.1.5.*

CONVERSION RISKS FOR THE PROFIT AND LOSS ACCOUNT

Exchange-rate fluctuations have an impact on the consolidated results as a result of conversion into euro of the foreign currency profit and loss accounts of subsidiaries.

The group does not hedge this type of risk. The table below sets out the breakdown of net sales, operating income and net income by operating currency.

Currency exposure		31.12.2018	
Currency (in millions of euros)	Net sales	Operating income	Net income
USD	318	11	8
GBP	200	5	4
ZAR	35	2	0
AUD	57	3	1
SGD	22	1	0
Other	91	6	4
TOTAL	**722**	**28**	**19**

CONVERSION RISKS FOR THE BALANCE SHEET

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

Sensitivity analysis		31.12.2018	
Currency (in millions of euros)	Net investment	Hedge%	Impact on equity capital of a 5% euro fluctuation
USD	365	0%	-18
GBP	19	0%	-1
ZAR	14	0%	-1
AUD	11	0%	-1
SGD	8	0%	0
Other	23	0%	-1
TOTAL	**441**	**0%**	**-21**

3.2.4. CREDIT RISK

Credit risk is the risk that a counterparty may default on its contractual commitments or the risk inherent in the collection of receivables.

The group is exposed to a credit risk in its operational and financing activities. The maximum credit-risk exposure is represented by the asset totals set out in the balance sheet, details of which are set out below.

In millions of euros	2017	2018
Sales financing receivables	6	11
Trade accounts and other receivables	325	362
Other receivables	32	42
Cash and cash equivalents	40	28
TOTAL	**403**	**442**

MANAGING CREDIT RISKS

Client risks are managed by the financial divisions of the various entities. The largest of them have credit-management teams. Each entity establishes management procedures, measuring instruments and rules on writedowns of outstanding client amounts. The most sensitive cases are monitored and handled in conjunction with the Credit Management Department of the parent company.

In most of the entities, credit risk is partially or totally covered by credit insurance. Credit risks may also be offset or limited by collateral or specific guarantees.

In addition, the group's client base is highly fragmented. Consequently, in 2018, no individual client accounted for more than 2% of the consolidated turnover.

The Financial division also ensures that bank counterparty risk is diversified among top-ranking institutions. For further details, please refer to note 12 of the notes to the consolidated accounts at 31 December 2018.

3.2.5. RISKS RELATED TO SHARES AND OTHER FINANCIAL INSTRUMENTS

None

3.2.6. RISKS RELATED TO EMPLOYEE BENEFITS

The group offers defined benefits schemes to some of its employees: lump-sum retirement benefits, awards for length of service, pension and retirement schemes for certain employees, supplementary pensions for some members of the management in the United States, a medical care and post-employment life-assurance scheme.

Generally, these defined benefit schemes are partially covered by funds paid to insurance companies that invest them in equities, bonds, real estate or the like. Unfavourable changes in the values of the assets funding the schemes expose the group to a need to make additional payments to meet the minimum funding obligations imposed by certain schemes or to meet its commitments.

For further details, please refer to notes 1.20 and 19 of the notes to the consolidated financial statements at 31 December 2018, chapter 6.

3.3. OTHER RISKS

TAX RISKS

The Manitou group operates in many countries with different tax systems. The tax risk is the risk associated with changes in laws and regulations, interpretation of said laws and regulations and developments in case law relating to application of tax rules.

Given the fact that these tax rules are constantly changing, the group cannot absolutely guarantee that its interpretations will not be challenged, with negative consequences for its financial situation and results.

Out of a desire to comply with the tax laws and regulations in force locally, the group relies on external experts to ensure that it meets its obligations in this area and to thus limit the tax risk to a reasonable and normal level.

Furthermore, the group is currently involved in audits, particularly at Manitou BF for which an audit began at the end of November 2018.

IMPACT OF THE TAX SITUATION OF CERTAIN ENTITIES ON THE ACCOUNTS

In accordance with IAS 12, capitalisation of deferred tax assets relating to accounting losses is recognised in the accounts when the possibility of using losses that can be carried forward to future years is considered more likely than unlikely in the relatively short term.

Consequently, any recurrent non-capitalisation of the deferrable losses of loss-making entities could generate net tax expenditure in the consolidated accounts that exceeds or is equal to the pre-tax profit.

COMPUTER SYSTEM FAILURE RISKS

The group depends on computer infrastructures and applications to manage all of its operational (procurement, manufacturing, distribution) and financial (consolidation) processes. A major malfunction of the computer system, whether of natural origin (floods, earthquakes, etc.), accidental (fire, short circuit, etc.) or malicious (virus, data theft, cybersecurity, etc.), could impact on the operational performance of the group and undermine its profitability.

To protect against such risks, the group has, since 2015, outsourced its most critical computer hardware to secure sites equipped with the latest technologies in order to limit access and ensure operating-system continuity in the event of minor malfunctions (power outages) and to be able to recover data in the event of major malfunctions (fire, etc.). In addition, data is regularly backed up at all the group sites in order to ensure that information can be recovered.

Finally, protection systems are upgraded on an ongoing basis (firewalls, antivirus software, etc.) and access rights are changed and checked at regular intervals.

See also note 4.5.2 of this document.

GEOPOLITICAL RISKS

The group's activities in a number of countries could be affected by geopolitical risks, such as war, terrorism and conflicts, that could affect the profitability of the group, but also the safety of people working for it.

Countries identified, by the different foreign ministries of the countries in which the group is present, as high-risk are monitored on an ongoing basis. Travel in these countries is limited as much as possible.

RISKS ASSOCIATED WITH BREACHES OF THE ETHICAL CODE AND THE LAW

Ethics and integrity are fundamental values for the Manitou group. Like any international group, Manitou can be exposed to legal risks in the event of non-compliance, particularly with regard to fraud or corruption and respect for human rights by its employees or stakeholders.

Such breaches are likely to expose the group or its employees to criminal or administrative sanctions and could harm its reputation and its results. Implementation of a strong prevention approach is therefore called for, based on irreproachable ethics, strict rules of conduct and training and awareness-raising actions.

Different procedures have been established by the general management of the group to protect it against the risk of fraud. In particular, delegation guidelines have been established to limit the rights and access of employees, along with a questionnaire to evaluate the key checks conducted in each of the group entities and in-house audit assignments.

See also note 4.5.2 of this document.

RISKS FOLLOWING BREXIT

The consequences of the Brexit vote on 23 June 2016 are uncertain at this stage and will depend on numerous factors, in particular the way it is implemented. Brexit could have consequences for the European economy and the level of activity of the British market. The marked drop in sterling is already recognised in the accounts and is also likely to make our products less competitive for British construction companies.

The group's sensitivity to the sterling exchange rate is set out in note 3.2.3 of this document.

NATURAL AND CLIMATE-RELATED RISKS

Exposure and geographical expansion can lead the group to be present in areas exposed to natural, in particular seismic, risks. Natural disasters could therefore cause bodily injury or damage to property and the environment, directly affect the Manitou group or its suppliers, and potentially have a negative impact on the group's business and financial situation.

See also note 4.1.1 of this document.

3.4. RISK INSURANCE COVER

The group has taken out insurance policies with top-ranking insurance companies to cover its strict liability and property damage, including operating losses. The group has strengthened coordination of its insurance policies by the parent company in order to optimise the total premiums and improve cover. In particular, the group has established a "Master" strict liability policy which encompasses almost all its subsidiaries, including Manitou Americas. This Master policy tops up the cover provided by the policies taken out locally. On the date on which this report was signed, the insured sum for strict liability was €50 million per claim and per insurance year. Property damage policies are generally of the 'all-risks except' type for insured sums that correspond to the risks identified.

Other insurance contracts have been taken out by the group, in particular to cover credit risks, the vehicle fleet and personal injury, as well as environmental damage.

3.5. INTERNAL OVERSIGHT PROCEDURES AND RISK MANAGEMENT RELATED TO THE DRAWING UP AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

3.5.1. INTERNAL OVERSIGHT OBJECTIVES

The internal oversight procedures put in place in group companies are aimed at ensuring:

- compliance with legislation and regulations;
- the implementation of instructions and guidelines set by executive management;
- the successful implementation of all procedures, in particular those designed to protect the group's assets;
- the reliability of financial information; and,
- in general, to help manage the group's business, performance and efficient use of resources.

Like any oversight system, these procedures cannot provide an absolute guarantee that all risks are covered. These procedures are, above all, intended to reduce their likelihood and potential impact by taking appropriate actions.

In addition to the above objectives, the group signed the United Nations' Global Compact Charter in 2015.

Since 2007, the Manitou group's internal oversight system has been based on a code of ethics. Updated in 2010, this acts as a frame of reference for ethical and responsible business conduct. It is based on the collective principles to which the group holds itself to account as a legal entity, and on the individual behaviour expected of everyone involved.

3.5.2. ORGANISATION

The internal oversight system is based on a clearly defined organization, consisting of:

- Two product divisions, MHA – Material Handling & Access – and CEP – Compact Equipment Products;
- A Services & Solutions division, a Sales & Marketing department and the support functions, which are split between the Company Secretary's office and Human Resources.

The Executive Committee, whose composition is detailed in this management report, meets with the Chief Executive Officer every week. The members of the Executive Committee are supported by a Management Committee, which brings together all of the functions in their respective divisions.

This organization provides a framework which, through quarterly "Business Reviews", makes it possible to monitor the business and achievement of the objectives for each product division and each sales region, and, on a half-yearly basis, for each support function. Regular reviews of the Corporate Secretary's office and Human Resources are also carried out.

In addition, the group relies on guidelines on the delegation of decision-making and responsibilities that were updated in July 2016 to align with the group's organization; this is applicable to all group companies and covers the following topics:

- statutory and regulatory obligations, including health, safety and environmental protection;
- financial transactions, including off-balance-sheet commitments;
- the budget process;
- sales and marketing;
- purchasing;
- fixed asset management;
- human resources.

The group introduced new internal oversight guidelines in December 2016. These were adapted for group companies and have helped to strengthen the group's internal oversight culture.

The internal oversight system is coordinated by the group Finance Director, who reports to the Corporate Secretary.

3.5.3. PRODUCTION OF FINANCIAL INFORMATION

Responsibility for drawing up the unconsolidated and consolidated financial statements lies with the Finance division.

The budget procedure and monthly reporting are an essential tool for Manitou in steering its operations. It is both a structured and structuring process that allows information and strategic objectives to be shared within the group. The distribution, internally and externally, of relevant, reliable and timely information allows everyone to fulfil their responsibilities.

The consolidation packages for the full-year and interim periods are prepared by the subsidiaries in accordance with the Manitou group's financial guidelines and sent to the consolidation department of the parent company.

The Finance division is responsible for the internal oversight procedures linked to the drawing up and processing of financial information.

PRODUCTION OF FINANCIAL STATEMENTS

PRINCIPLE UNDERLYING THE PRODUCTION OF FINANCIAL STATEMENTS

The group's consolidated financial statements are drawn up on the balance-sheet date in accordance with IFRS (International Financial Reporting Standards) rules, published by the IASB (International Accounting Standards Board) and adopted by the European Union.

The financial statements for Manitou BF are drawn up in accordance with French rules.

THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR MANITOU BF

The financial statements for both the parent company and the group are prepared by the Accounts department, with the assistance of a chartered accountant as regards the unconsolidated financial statements. They are validated by the Corporate Secretary-CFO and the CEO prior to approval by the Board of Directors.

THE CONSOLIDATED FINANCIAL STATEMENTS OF THE MANITOU GROUP

The consolidated financial statements for the group are drawn up by the group's Accounts Department . This department is responsible, inter alia, for updating the procedures for consolidation, training and integration of the subsidiaries into the scope of consolidation, data processing, as well as the use, maintenance and development of the consolidation tool and of the financial data system.

DATA PROCESSING AND REVIEW OF THE ACCOUNTS

Each subsidiary communicates its accounts to the Accounts Department based on a timetable set by the group. The Accounts Department reviews the accounts of the group as a whole and makes the adjustments necessary to draw up consolidated accounts. These accounts are circulated every month to the executive management. A manual sets out the group standards that apply to the accounts and their presentation. This manual is added to each year and made available to all the group entities.

Instructions for closure of the accounts are also communicated monthly to all the subsidiaries.

CONSOLIDATION TOOL

The Manitou group draws up its consolidated accounts using a single consolidation tool that is structured in accordance with a single chart of accounts for all companies in the group.

AUDITING OF THE ACCOUNTS

The half-yearly and annual accounts are audited by the Board of Statutory Auditors applying industry standards.

For foreign subsidiaries, audited in each country, the accounts and findings of the local auditors are communicated to the group statutory auditors and reviewed with the Finance division.

The Statutory Auditors presented the summary of their findings to the Audit Committee on 1 March 2019. The Board of Directors met on 6 March 2019 to approve the unconsolidated and consolidated financial statements for Manitou at 31 December 2018.

Working and review meetings are regularly organised between the statutory auditors and the group's Finance division as part of the ongoing process for sharing information.

The Audit Committee is present at all key stages of the validation of financial information.

4. OUR CSR AMBITION*

* Corporate Social Responsibility

The value of the Manitou group's machines and services lies in the functional benefits provided by their use: **they facilitate, enhance safety, add to productivity and transform uses.**

Materials handling, personnel lifting and earthwork lie at the heart of many **agricultural, industrial, human and environmental challenges**. Population growth, urbanisation and economic development all require an increase in agricultural production, the construction and renovation of housing and communications infrastructures, all the while optimising access to the planet's resources.

The Manitou group's mission is to improve working conditions, safety and efficiency worldwide:

- **Meeting ever growing load transport requirements** with innovative, adapted machines that relieve human efforts.
- **Meeting growing productivity requirements** with products and service offers specific to each application, limiting the Total Cost of Ownership (TCO) and the environmental footprint as much as possible.
- **Meeting the integration requirements of the digital world** with connected machines.
- **Meeting the requirements of our customers for innovative approaches** by devising new services that view machine life cycles and accessibility conditions in different ways: leasing and used machines become effective solutions in keeping companies' TCO down and limiting their environmental footprint.
- **Meeting requirements for improved working conditions** with machines suited to each use and focusing on promoting the health and safety of people and property.

Corporate Social Responsibility (CSR), at the heart of the group's mission, accompanies it towards a safer, more innovative, sustainable world of handling, personnel lifting and earthwork.

The name of our CSR approach, the Elevation Plan, therefore conveys several meanings:

- Elevation, **is our core business** and our "raison d'être", a way of supporting our users in making their work easier and safer.
- Elevation reflects our commitment to being equal to the challenges facing society related to our activities. We want to **acknowledge our responsibilities,**, those of our stakeholders and work with the **entire value chain** to anticipate and respond to these challenges more effectively.
- Elevation also means **mobilising all of the company's employees** on sustainable development issues, supporting talent by promoting diversity and encouraging entrepreneurial spirit, and rewarding success, whilst safeguarding optimum quality of life at work.
- And finally, Elevation means the aim to drive the group towards **governance that incorporates the Sustainable Development goals.**

This CSR strategy is directly led by Manitou's Executive Committee with the full backing of the Board of Directors.

Since 2015, the Manitou group has adhered to the **10 principles of the UN Global Compact.** This adherence, renewed for 2018, has committed us to integrating each of these principles into our strategy, our culture, our operations and our stakeholder relations.

In accordance with Articles L.225-102-1 and R.225-104 of the Commercial Code (Code de commerce), the Manitou group has reviewed its main non-financial risks based on the analysis of their existing materiality, their relevance and the severity of their challenges linked to the analysis of the financial risks.

4.1. OUR AMBITION AND COMMITMENTS

To provide its customers with sustainable and responsible handling, personnel lifting and earthwork solutions, the "Elevation" Plan gives the Manitou group's CSR ambitions.

The Manitou group is transforming its range of products and services to make them more sustainable and innovative. The group is not working alone: it involves its employees and its value chain to construct the handling, personnel lifting and earthwork solutions of tomorrow while respecting people and the environment.

In 2018, the group fixed the ambitions of the "Elevation" Plan for 2022:

3 ambitions and 10 commitments, each associated with a target and key actions.

1
Provide sustainable **solutions**

2
Powered by **the men and women** of the Manitou group

3
In close partnership with our supply chain

This social responsibility fully incorporated into the group's strategy aims to anticipate and reduce risks and create value for all stakeholders.

4.1.1. OUR COMMITMENTS TO ADDRESS THE GROUP'S MAIN NON-FINANCIAL RISKS

A working group made up of the Financial, CSR and Audit, Risk and Compliance departments identified the group's non-financial risks. The methodology was based on:

- The results of previous work: analysis of CSR materiality[1] and mapping of the group's risks[2], brought together once again.
- The sustainable development challenges of the CSR Standards[3].

Evaluation of the level of importance of the challenges (depending on the business impact and the group's mastery) helped to identify 5 macro-risks: climate and environmental pollution, depletion of natural resources, health and safety, talent management, and human rights and ethical rules.

The group's CSR strategy has been based on understanding of these major risks, listening to our stakeholders and a drive for continuous improvement since 2007.

The new CSR roadmap is being rolled out for the period 2018-2022. Set in motion by the collaborative work of some of the management teams, this was then approved by the members of the Executive Committee.

Management has set 2022 objectives, with annual targets, for each of the group's commitments. The eventual aim of these commitments is to have a CSR model incorporated into the business lines, into the processes and in our relations with our stakeholders. Management of these objectives is currently being deployed. This complex yet meaningful approach gives new momentum to the Elevation Plan.

[1] Analysis of CSR materiality in 2012 with the group's internal and external stakeholders
[2] Mapping of the group's risks in 2016
[3] United Nations' Sustainable Development Goals, theme of the Grenelle, and GRI

5 CSR MACRO-RISKS AND OUR POLICIES FOR TACKLING THEM

1 - TALENT MANAGEMENT	OUR POLICIES AND DILIGENCES	OUR MANAGEMENT INDICATORS	OUR 2022 OBJECTIVES (compared to 2018)	
Human resources are driving the company's current evolution. The availability, skills and engagement of employees are therefore essential factors for the company's success. If Manitou's ability to attract and retain people with the skills and talent required is not great enough, achievement of the group's objectives could be affected and this could have a negative impact on its results. Mobilisation of management and the teams in very busy periods is also essential.	▪ Attract, build and retain skills ▪ Motivate and unite ▪ Improve working conditions and quality of life at work ▪ Ensure that our teams reflect the diversity of our customers and our markets	▪ New recruits with open-ended contracts ▪ Commitment rate ▪ Voluntary departure rate ▪ Average number of hours of training per employee ▪ Proportion of non-French top management ▪ Proportion of women by status ▪ Number of people with disabilities	72%	Get 72% of employees engaged based on the internal opinion survey
			100%	Ensure that every entity has initiated at least one initiative to improve the employee experience
			2 200 hrs	2 200 hours of volunteering will be offered by the group
			1%	1% of net group income will be used to fund education initiatives
			850	Achieve a total of 850 women within the group

2 - HEALTH & SAFETY	OUR POLICIES AND DILIGENCES	OUR MANAGEMENT INDICATORS	OUR 2022 OBJECTIVES (compared to 2018)	
Employees: vigilance with regard to the health and safety of all employees is essential, particularly in very busy periods. In the factories, more than 2 000 operators work manufacturing mechanically welded structures (chassis, booms and masts), in assembly or in paint booths. The main risks of our business are linked to: ▪ the workstation: workstation ergonomics, mechanical or manual tools, welding and grinding devices, etc. ▪ the workstation environment: movement of people and machines, risks of eye injuries, noise and vibrations, etc. ▪ the use of chemicals: glue, aerosols, etc. We therefore ensure that prevention and training are among our priority actions.	▪ Risk prevention for our employees, especially at production sites	▪ Accident frequency and severity rates ▪ Rate of absenteeism due to accidents and illnesses ▪ Proportion of training hours dedicated to safety	-10%	Reduce the accident frequency rate by 10% and the severity rate by 14%
Users: every day, 500 000 people use our machines and although our equipment, because of its very nature, provides security, there is a real risk of accident. Occurrence of an accident involving a handling machine is always linked to the combination of several factors: the choice of a machine and its equipment not suited to its environment, or a lack of knowledge or misuse of the equipment. A faulty machine can also involve a design or maintenance fault. Problems associated with equipment safety and safe use could cause bodily injury or damage to property and the environment, and potentially have a negative impact on Manitou's business, financial situation and image.	▪ Reduce health risks (musculo-skeletal disorders, noise pollution, vibrations, ergonomics) and safety-related risks for users (handling of machines)	▪ Proportion of machines with the REDUCE label[4]	x3	The number of machines with the "REDUCE" label will be tripled

[4] Machines that comply with the 3 parts of the REDUCE programme with all of the information below available on reduce-program.com:
- REDUCE Fuel: fuel consumption, according to the Manitou protocol that is being standardised at European level, and CO_2 emissions
- REDUCE TCO: the Total Cost of Ownership
- REDUCE Risks: machine training videos to reduce risks

3 - HUMAN RIGHTS AND ETHICAL RULES	OUR POLICIES AND PROCEDURES	OUR MANAGEMENT INDICATORS	OUR 2022 OBJECTIVES (compared with 2018)	
Behaviour contrary to the ethical principles or applicable laws and regulations; situations of nonconformity, in particular where the fight against fraud or corruption and respect for human rights is concerned, by the Manitou group, its suppliers, its employees or its customers, are likely to expose the company to criminal and civil sanctions and, more generally, could have negative effects on its results and on its reputation.	▪ Monitor the financial well-being and the CSR risk management of our partners ▪ Encourage proximity with our sector ▪ Raise employees' awareness on risks associated with compliance	▪ Number of suppliers who have signed the Responsible Purchasing Charter ▪ Proportion of suppliers assessed with regard to CSR ▪ Proportion of employees trained and made aware of anti-corruption and the ISO 19 600 assessment	60%	Achieve 60% of suppliers qualified (>60) in CSR after the audit
			25%	25% of all sales in our dealerships will be given the "Partner Dealership" (dealerships with best practices in CSR) label
			100%	100% of group managers will be trained and made aware of anti-corruption and the ISO 19 600 assessment

4 - CLIMATE AND ENVIRONMENTAL POLLUTION	OUR POLICIES AND PROCEDURES	OUR MANAGEMENT INDICATORS	OUR 2022 OBJECTIVES (compared with 2018)	
Climate change: 80% of the group's CO_2 emissions are generated by our customers using our machines. Faced with the impacts of climate change, the "energy transition" roadmap with the design of machinery that emits less CO_2, and the education of users in optimum use, are therefore strategic approaches. Moreover, there is also a need to think more globally by incorporating the impact of the factories and the supply chain. With regard to pollutant emissions, the group uses a significant proportion of its research and development resources to comply with the regulations of pollution control standards[5].	▪ Adapt our offer to meet the challenges of the circular economy, the product-service system and the energy transition ▪ Reduction in the Total Cost of Ownership (TCO) for users	▪ Proportion of machines with the REDUCE label[4] ▪ Reduction in the Total Cost of Ownership of machines ▪ Greenhouse gas emissions/truck[6]	x3	The number of machines with the "REDUCE" label will be tripled
			x5	The rate of reduction in the total cost of ownership for the top 50% of most sold machines (in sales) will be multiplied by five
Environmental risks: the group's industrial activity carries risks of air, water and soil pollution. Discharges of volatile organic compounds (VOCs) into the atmosphere and the risks of water pollution are linked to the painting activity. There is also a risk of chemical spillage. Furthermore, like any industrial activity, the Manitou group's sites are also exposed to fire and explosion risks (linked to the battery charging rooms and the paint booths). Such events could cause bodily injury or damage to property and the environment, and potentially have a negative impact on Manitou's business, financial situation and image.	▪ Protection of the environment and resources ▪ Limit pollution at our production sites	▪ Water consumption/truck ▪ VOC emissions/truck ▪ Paint consumption/truck ▪ Compliance of aqueous industrial discharge		Construct and coordinate the "Manitou Environmental footprint" indicator
Natural risks: exposure and geographical expansion can lead the group to be present in areas exposed to natural, in particular seismic, risks or to extreme events resulting from climate change. Natural disasters could therefore cause bodily injury or damage to property and the environment, directly affect the Manitou group or its suppliers, and potentially have a negative impact on the group's business and financial situation.	▪ Inter-site industrial flexibility ▪ Multi-sourcing ▪ Purchasing risk management ▪ Crisis management governance ▪ Damage and operating loss insurance			Calculation of exposure to risks and development of business continuity plans

5 - DEPLETION OF NATURAL RESOURCES	OUR POLICIES AND PROCEDURES	OUR MANAGEMENT INDICATORS	OUR 2022 OBJECTIVES (compared to 2018)	
The cost of raw materials and components accounts for a large proportion of the equipment cost price. Faced with growing pressure on raw materials and fluctuation in their costs, there is a growing need, in order to ensure that business continues, to rethink processes in order to save resources and ensure the eco-design of products with a view to reusing and then recycling them. Indeed, a sharp and lasting increase in the cost of raw materials procurement could affect the company's profitability. Sharing these challenges with our suppliers is an important aspect of our responsible purchasing policy.	▪ Responsible purchasing policy ▪ Circular economy: eco-design, optimisation of the service life of our machines and their recyclability ▪ Waste management and recycling policy	▪ Proportion of new projects that incorporate eco-design criteria ▪ Proportion of our Parts revenue generated from renovated or used parts ▪ Volume of industrial waste/truck ▪ Waste burying and recycling rate ▪ Energy consumption/truck	100%	of new products will incorporate eco-design criteria
			8%	of our Parts revenue will be generated from renovated or reused parts

[5] Limit pollutant emissions of: carbon monoxide (CO), hydrocarbons (HC), particles (PM), nitrogen oxides (NOx)
[6] For scope 1 of our activity

4.1.2. RESPONSIBILITY AT THE HEART OF STRATEGY AND GOVERNANCE

The group's Corporate Social Responsibility policy is the outcome of contributions from all people involved in all areas of the company. The CSR Department coordinates the various activities, whilst professional and subsidiaries experts ensure that actions and information are shared.

The CSR Department reports directly to the General Secretary, a member of the Executive Committee.

Twice a year, the group Executive Committee reviews the lines of action and progress with the roadmap. The Board of Directors is also consulted during the drawing up and approval of the three-yearly action plan and at each strategics reorientation.

Lastly, the social, societal and environmental data required for non-financial reporting are collected by local contributors. They are consolidated by the project team. Internal auditors approve the reported data and the consolidated indicators. The indicators published are also audited by an independent external auditor.

THE CSR ACTIVATORS NETWORK

In 2018, the "CSR Enablers" network was set up to bring representatives together in a joint project. A seminar helped to consolidate the network and clarify its missions.

This important stage will enable the group to speed up the transformation and get ready to achieve the 2022 objectives.

Furthermore, to create a feeling of joint responsibility and emulation around the Elevation Plan, two events take place regularly each year:

- Constructed jointly with the Enablers, the **Elevation Days** are a week of awareness-raising and action for employees on all of the sites. In 2018, 3 topics were covered through various mobilisation actions: collective engagement, quality of life at work and responsible consumption. Workshops on topics such as sleep and alertness for night work and warm-up sessions before starting work took place for the first time in the factories in close proximity to the operators.
- The **Elevation Challenge** encourages intrapreneurship by giving all employees the opportunity to implement CSR projects. In 2018, almost 80 projects were voted on by employees and the panel. 80% of the files submitted came from countries outside France. Digitalisation of these projects with the group's "CSR best practices platform" means that ideas can be shared between the countries. This platform has 150 projects.

THE CONCERNS OF OUR STAKEHOLDERS

To establish the foundations for its CSR strategy, the Manitou group pinpointed the sustainable development challenges it is facing **in collaboration with 35 of its internal and external stakeholders.** This involved taking into account all of the major environmental, social and economic impacts and, wherever necessary, extending the scope by identifying **new action areas and emerging trends**, and launching discussion or starting pilot projects.

The table below sets out the forms of dialogue currently in place, broken down by stakeholder. Analysis of internal and external expectations, supplemented by a **benchmarking exercise**, helped identify and **prioritise the issues in order of importance** with respect to the stakeholders and the level of maturity in the group. This analysis served as the basis for the Elevation Plan.

STAKEHOLDERS	EXPECTATIONS	GROUP RESPONSE(S)	FORM(S) OF DIALOGUE	SIGNIFICANT EVENTS IN 2018
CUSTOMERS AND DEALERSHIPS	Product quality	▪ Regulatory monitoring and anticipation ▪ Quality certification	▪ Chairman of the ISO committee for the rough-terrain handling trucks sector ▪ Dealership network ▪ Dealership newspaper: Manitou Life ▪ Customer service ▪ Customer satisfaction surveys ▪ External communications (corporate site, brand site, trade fairs) ▪ Warm'up days: customer machine tests ▪ Training and e-learning	New reduce-program.com website 1st electric telescopic prototype
	Product safety	▪ Compliance with safety standards ▪ REDUCE Risks programme		
	Reduced Total Cost of Ownership	▪ REDUCE TCO programme		
	Adaptation for new uses	▪ Departments responsible for developing new services and the digital transformation		
	Low environmental footprint for products	▪ REDUCE Fuel programme ▪ Eco-design & TCO		
	Customer relations	▪ Satisfaction measurement		
	Ethical practices	▪ Code of conduct		
	Innovation	▪ R&D programmes		

STAKEHOLDERS	EXPECTATIONS	GROUP RESPONSE(S)	FORM(S) OF DIALOGUE	SIGNIFICANT EVENTS IN 2018
EMPLOYEES	Professional development of employees	▪ Forward-looking employment and Competency Planning Policy	▪ Annual review interviews ▪ Forward-looking Career Planning Management	
		▪ Training policy	▪ Up Days ▪ Immersion week ▪ Digital Campus	
		▪ Mobility policy		
		▪ Internships and apprenticeships programmes		
		▪ Communication of the latest news from within the group	▪ Internal communications (intranet, TOTEM, forums) ▪ KiT, internal social network ▪ Open days	
	Well-being at work	▪ Measurement of satisfaction and commitment, and action plans	▪ Inhouse opinion survey	
		▪ Quality of life at work solutions (remote working, etc.)		
		▪ Support for sporting initiatives	▪ Creation of a sports association and opening of sports halls	
	Promotion of team and individual success/achievements	▪ Rewards/prizes and long-service awards		78% of employees say they are committed (+6 points compared with 2016)
	Boosting diversity	▪ Professional equality ▪ Women/Men	▪ 'Wo'Men by Manitou Group' network ▪ Mentoring programme	
		▪ Intergenerational cooperation		
		▪ Policy aimed at supporting people with disabilities	▪ Adviser to people with disabilities	
	Social and trade-union rights	▪ Social dialogue	▪ Employee representative bodies and trade unions	
	Mobilization around CSR issues	▪ Internal CSR communications	▪ Annual Elevation Challenge, Elevation Days, platform for sharing good group CSR practices	
	Health and safety at work	▪ QEHS policy and certifications	▪ EHS Corporation, health division & social worker	
SUPPLIERS AND SUBCONTRACTORS	Economic competitiveness	▪ Total Cost of Ownership approach	▪ Supplier Convention and technical sessions	
	Technological competitiveness	▪ Productivity initiatives	▪ Think Tank	
	Sustainability of supplier relationships	▪ Development Department ▪ Suppliers	▪ Supplier extranet ▪ Responsible Purchasing Charter ▪ CSR supplier ratings	
LOCAL COMMUNITIES	Academic partnerships	▪ Local relationships with the education sector and collaborative projects	▪ Handling the Future Challenge with students ▪ Partnerships with schools ▪ School visits - Student fairs ▪ Support into employment	Partnership with the United Nations PRME programme
	Reinforcing regional presence	▪ Participation in networks	▪ Membership of the "Comité 21 Pays de la Loire" sustainable development dialogue platform ▪ Involvement in local networks	
	Commitment to the community	▪ Education-based sponsorship policy	▪ Currently being defined	
SHAREHOLDING AND FINANCIAL COMMUNITY	Good governance	▪ Regular detailed communication	▪ Registration document ▪ Annual communication on United Nations Global Compact Progress	2018 Gaïa Index[7] classification: 18/230 New corporate website
	Relationship of trust and consideration			
	CSR performance transparency		▪ Answers to questionnaires from non-financial rating agencies ▪ Website	

[7] Gaïa Rating, the EthiFinance ESG ratings agency, organises an annual data collection campaign covering the main listed PMEs. Based on this information, the companies are rated on their level of transparency and performance. Rankings have been established for each category of revenue in order to reward the best players from a restricted panel of 230 PMEs listed on the Paris stock exchange that meet 3 size criteria and one liquidity criterion.

4.2. SUSTAINABLE PRODUCTS AND SERVICES

From the design stage through to a machine's end of life, we instil Corporate Social Responsibility (CSR) in all of our actions, prioritising day-to-day improvement for the users of our machines and services.

The result of this ambition is the REDUCE approach. It aims to improve the quality of working life for users of our machines, to increase productivity and provide better protection for the environment. Three programmes have been developed:

REDUCE TCO, launched in 2015, aims to inform our customers about the cost breakdown of machines and helping them to improve the profitability of their production tool.

REDUCE Fuel, launched in 2013, aims to measure and compare the fuel consumption and CO2 emissions of our machines in complete transparency. The purpose is to support our customers in reducing their environmental footprint and to reduce the impact of our products, especially that linked to climate change.

REDUCE Risks, launched in 2018, aims to improve handling of machines so that they can be driven safely. The objective is also to provide guidance on the choice of equipment and services to increase awareness of health and safety risks.

A website devoted to the approach as a whole was launched in 2018 and is available at: reduce-program.com.

4.2.1. ECO-DESIGN: DESIGN THAT INCORPORATES THE CIRCULAR ECONOMY

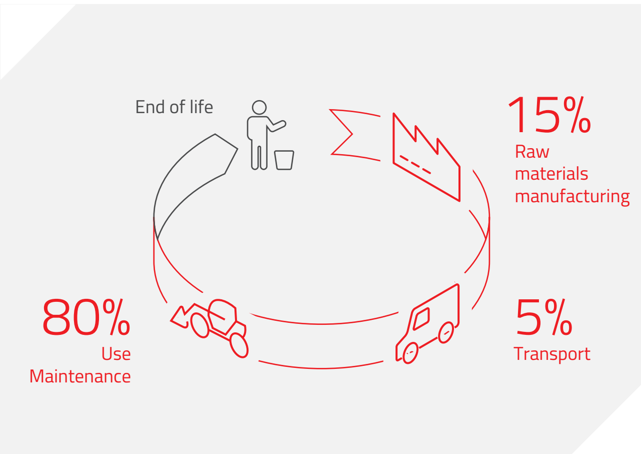
In order to understand more clearly where the hot spots of our activity are located, we conducted several specific studies:

- A multi-criteria **life cycle analysis**, in 2012-2013, looking at the life cycle of a benchmark agricultural machine from our product range[8].
- An assessment of the company's **carbon footprint** covering its entire emissions scope[9] in 2012.
- Each year, an assessment of our carbon footprint as per the regulatory emissions scope[10].

The CSR initiatives already introduced within the value chain demonstrate the profitability that these can generate.

- Factoring in **eco-design at all stages of the life cycle is a key point in studies. These analyses show** that **approximately 80% of our environmental impact stems from use of our machines by our customers** and in particular from their fuel consumption. **Reducing the consumption of machines** is therefore a strategically important priority in our action plan and it is for this reason that the REDUCE programme was created (see p.52).

ENVIRONMENTAL IMPACT OF A MACHINE THROUGHOUT ITS LIFE CYCLE



In order to work on the machine's manufacturing, use and end-of-life phases, an eco-design **steering committee** was formally set up in 2016. It brings together contacts from engineering and design firms, purchasing offices, EHS[11] and the S&S division, which provides TCO expertise, and CSR. In 2017, this led to an **"Eco-design and TCO" checklist** being introduced for engineering, design and purchasing offices so that the environment and machine life cycles can be factored into the design stage.

In 2018, this checklist was tested in the development of five new products and concrete actions were identified to reduce impacts and the TCO (total cost of ownership). It has therefore been incorporated into the **procedure for development of new products and services.**

Examples of eco-design in 2018 include: **the wheels on aerial work platforms**[12] have changed from a standard foam inflation to Ecofill. This method for **filling tyres using renewable resources** helps to reduce the carbon footprint and halve the use of fuels for manufacturing. Used tyres are **given new life** thanks to a rim and foam recovery process. Once dismantled, a new tyre can be fitted onto the wheel. The recovered foam is partially mixed with virgin foam in the new wheel manufacturing process. Insofar as is possible, the tyre carcass is recycled.

[8] MLT 840
[9] The scope includes the three emissions Scopes defined by the Greenhouse Gas (GHG) Protocol: Scope 1 (direct emissions), Scope 2 (indirect emissions from electricity consumption) and Scope 3 (other indirect emissions throughout the value chain)
[10] The regulatory emissions scope concerns Scopes 1 and 2 only; measurement is only mandatory once every four years, but we undertake the assessment each year

4.2.2. THE PRODUCT-SERVICE SYSTEM: MORE RESPONSIBLE USE OF MACHINES

The Manitou group operates in a society in which the consumption of goods, which was once the norm, is gradually shifting towards economy of use.

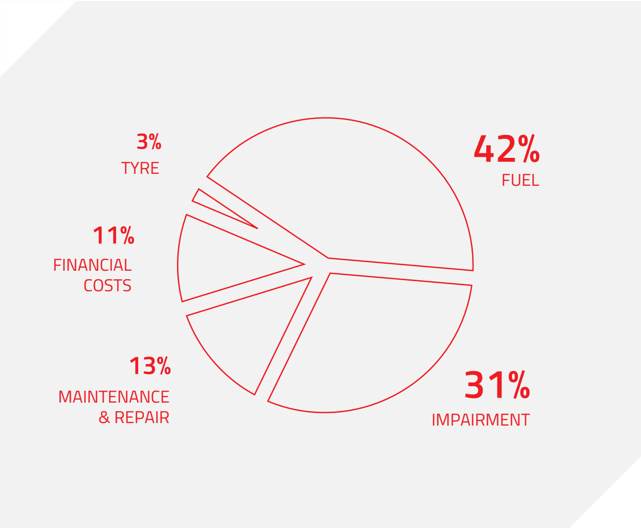
The second-hand and leasing markets make it possible to sever the ties between value creation and the use of non-renewable resources and energy consumption.

This change in model as regards machine ownership should promote the durability and pooled use of our machines. This calls for innovation in supporting end customers, because the value of our products no longer resides solely in the quality of our machines, but also in **the economic value that our services can provide**.

REDUCTION OF THE TOTAL COST OF OWNERSHIP

In this context, the group has been working on the REDUCE TCO programme for many years. Total Cost of Ownership (TCO) is a method used to calculate the cost of equipment, taking into account not only the **direct and fixed costs** (purchase, interest, residual value, etc.), but also all the **indirect and variable costs** (maintenance, fuel, training, etc.) related to use of the machine.

TOTAL COST OF OWNERSHIP OF A MACHINE



REDUCE TCO is a programme that seeks to highlight the most significant core costs before purchasing and **raise awareness among users about cost reduction**. To do this, **a calculator has been created** , which may be accessed online at http:// tco.manitou.com. Since more than a third of the TCO of our products is related to customers' fuel consumption, there is a close link with the REDUCE Fuel programme.

The work done over the past four years to reduce TCO at all stages of the life cycle of our machines resulted in the following in 2018:

- **Complete integration of TCO** into the new procedure for developing new products and services that will apply to the group in 2019.
- In France, the systematic integration of TCO from the design stage into product development projects.
- **Deployment of the methodology in the USA** for several projects.
- Release of the **first "Designed to TCO" masted forklift truck**[13], with the hydraulic oil change interval set at 2 000 hours (compared with 1 000 hours before)
- Integration of a global service approach that incorporates TCO into **identification of new components.**
- Improvement of the measurement methodology of the **maintenance time scales** that was released.
- Continued collection of **corrective maintenance data statistics** (faults, breakdowns, wear, etc.) from our network.

In order to achieve **the TCO reduction CSR objective between 2019 and 2022**, the group is rolling out actions to reduce maintenance costs (preventive and corrective maintenance) by optimising servicing frequencies, reducing oil and filter volumes, and major work on component reliability for a longer machine service life.

Lastly, as a practical application of TCO reduction and eco-design in 2018, it is worth mentioning **the Eco-Stop function**, which helps to reduce fuel consumption, maintenance and depreciation of the machine. The idea is that the engine turns off automatically when it is idling and the driver is not in the cab. Thanks to data collection, we estimate **at 15% to 30% the time when the engine is idling and there is no driver** in the cab. Assuming 15%, for a machine that is used for 1 000 hours/ year for 3 years, the **Eco Stop function can save €4 500** (based on a diesel base of €1/litre).

[11] Environment, Health and Safety
[12] AWP 160 and 180 range

COORDINATION OF THE REDUCE PROGRAMME (WWW.REDUCE.PROGRAM.COM)

The REDUCE programme, which is available in 10 languages, is designed **for end users.** The new digital platform accessible directly from the machine's cab (thanks to a sticker with QR code), enables users and customers to:

- **Measure their Total Cost of Ownership** (REDUCE TCO). Thanks to the various usage criteria, research is precise, and the machine suitable for the user's requirements and business can be identified in just a few clicks. The tool gives the cost per hour including fuel consumption, maintenance, insurance and the resale value of the machine.
- **Compare the fuel consumption and CO_2** emissions of a Manitou machine with a competitor equivalent machine, or with another Manitou machine (REDUCE Fuel). The measurements are available for the agricultural and construction ranges. In 2019, measurements for platforms will also be available.
- **Follow simple recommendations for use** in order to reduce their consumption, impact in terms of CO_2 emissions and TCO.
- **Watch almost 300 videos on safe use** of the machine (REDUCE Risks). These videos explain, for example, how to start and maintain a machine and secure attachments, what the safety precautions are, or how technology such as the JSM® works.
- **Quickly identify good and bad practices** and therefore prevent the risk of accident, thanks to prevention posters (REDUCE Risks).
- **Directly access instruction manuals** and maintenance documents.
- **Discover all of the equipment and innovations** for reducing risks, TCO and fuel consumption, and improving user comfort (ergonomics, vibration and acoustics).

The fuel consumption measurements are based on a Manitou protocol approved by UTAC[14]. This procedure enables the consumption between two machines to be compared using a strictly identical methodology. Since 2016, the group has coordinated a draft **European standard**, the aim of which is to define a reference standard for measurement of telehandler consumption. **This measurement protocol**, primarily based on the typical cycle of the Manitou group, **will become the future European standard**. As the current Chairman of the ISO committee for the rough-terrain handling truck sector, the group also leads this project internationally with the aim of making it **the recognised method for measurement of telehandler consumption around the world**.

The digital transformation for optimised use is illustrated by the **connected Easy Manager solution**, which was available as an option before, but will be included as standard on all machines in 2019. This simple and flexible tool provides real-time access to key machine data, such as fuel consumption, engine temperature and error codes. Since this makes it possible to conduct remote diagnostics and to geolocate machines, technicians can intervene more rapidly and the need for return visits to customers is avoided.

SUSTAINABLE INNOVATIONS

In 2018, the group continued its innovation plan focusing on energy transition, improved total cost of ownership and improved machine comfort. The key events include:

- The first **100% electric telehandler prototype**, designed for the construction market, and co-developed with one of our suppliers.

- The first platform with a Stop & Go system. Aerial work platforms spend around 60% of their working time idling. During this time, the hour counter is running, parts are getting worn and the machine consumes fuel. This technology helps to reduce consumption and stops the hour counter so that only the hours actually done are counted, which will considerably increase the resale value of the machine.

- For the agricultural market, the new model in the NewAg[15] range offers a number of innovations, especially in the cab, **one of the quietest on the market** with 73 dB. Visibility is optimised with **a patented roof grille with tilted blades** and a side camera. Lastly, **the Easy Step access** makes it easy for operators to get into and out of the driver's cab as they no longer need to turn around.

- The first agricultural machine[16] with controls specifically designed to enable **disabled users** (artificial right hand) to use it safely and effectively.

4.2.3. EXTENSION OF THE SERVICE LIFE OF MACHINES

In line with the 3Rs (Reduce the quantity of waste generated, Re-use machines, parts and accessories, and Recycle materials) programme, the Manitou group is working on:

- **Optimising the service life of its machines:** implementation of actions promoting preventive and corrective maintenance, choice of components with as long service life as possible from the design stage, work on improving the reliability of components through the use of corrective maintenance statistics by Quality departments. Recent developments include the introduction of a new material to give a **repairable bonnet as standard** will have a considerable impact on bonnet reliability and sustainability.
- Promoting the use of new or used spare parts**: through our spare parts logistics centres based in Ancenis (France) and Belvidere (USA), orders are processed, with an order fill rate of close to 95%. They help maintain the machine park in optimum working order and prolong their service life. In 2017, the "ReMAN By Manitou" project received the in-house Elevation challenge award. This involves a range of remanufactured replacement parts (engines, gearboxes, turbo engines, etc.). This alternative to new parts makes it possible to reduce maintenance costs and give used parts a second life. The parts are refurbished with original components and therefore have a warranty identical to new parts.**

Deploying a network of second-hand machines: the Manitou group sold more than 550 second-hand items in 2018 through its subsidiaries. In addition, the group continues to promote the high-quality second-hand market with almost 1 000 dealer advertisements available on our website **used.manitou.com.**

- **Offering solutions to make end-of-life disassembly of machines easier and encouraging recycling of materials:** the reconditioning centre set up in 2015 continues to grow gradually, with the aim of recovering, repairing and restoring machines, mainly Manitou ones. In 2018, a test project on end-of-life disassembly of a machine was launched in order to study recycling of the various components on a machine at the end of its life. This organisational, economic and environmental study will continue in 2019. Its aim is to speed up the development of lines of ReMAN parts and anticipate regulations on out-of-order vehicles that do not yet concern heavy machinery.

It is also a central location for supporting the deployment of **long-term lease offers with financing and complementary services – so-called "ALL-IN" deals –** , Rent to Rent, that will, in the near future, need infrastructure in order to manage the return of these machines.

Lastly, in partnership with **our dealership network**, the Services & Solutions division is developing solutions that have a positive effect on the service life of our equipment:

- **The network of 1 500 Manitou dealerships** spread throughout 140 countries and the 2 000 regularly-trained expert technicians offer support to users, from purchase of the equipment through to after-sales service.
- **Maintenance contracts** help keep machines in good working order and retain better value for money for the machine.
- **Warranty extensions** provide added value, protecting the equipment beyond the contractual warranty.
- **The Manitou e-commerce website for the sale of replacement parts** facilitates the purchasing process for clients. This recent sales channel will contribute to preserving the performance of equipment and ensuring that it has a longer service life.

[13] MC18
[14] UTAC: Technical Union for the Automobile, Motorcycle and Cycle Industries
[15] Telehandler MLT 741
[16] MLT940 New Ag

4.3. MANITOU GROUP, A SOCIALLY RESPONSIBLE EMPLOYER

The women and men of the Manitou group are passionate and driven by an entrepreneurial spirit. This is a key part of the corporate culture, encouraging a sense of belonging among employees. Based on trust, management encourages innovation, experimentation, challenge and acceptance of responsibility.

Our group's transformation and strong growth rely on attracting, developing and motivating new talent, encouraging their loyalty and recognising their commitment. We are committed to offering these men and women safe working conditions conducive to their professional development, while involving them fully in our CSR approach.

4.3.1. HEADCOUNT, GOVERNANCE OF THE HR FUNCTION AND EMPLOYEE ENGAGEMENT

4.3.1.1. GROUP HEADCOUNT

A FRENCH GROUP OPERATING INTERNATIONALLY

THE GROUP HEADCOUNT AT 31/12/2018

		2016	2017	2018
Headcount	No.	3 301	3 600	4 425
Total headcount (including temps)	No.	3 578	4 127	5 335
Staff with open-ended contracts	%	90.19	84.61	79.46
Staff with fixed-term contracts	%	2.07	2.62	3.49
Temporary workers	%	7.74	12.77	17.06
International corporate volunteer programme	No.	3	4	4
Internationally mobile employees	No.	13	13	11

The group's headcount increased by more than 22% between 2017 and 2018 as a direct consequence of the group's growth. More than three-quarters of group employees have a permanent contract (96% of headcount excluding temps). While the proportion of fixed-term contracts has remained relatively stable, it is worth noting that there has been a significant increase in temporary workers, accounting for 17% of our headcount at the end of 2018, supporting the fluctuation in production activity.

The number of internationally mobile employees or forming part of the International Corporate Volunteer programme, remained relatively stable compared to 2017 (15 in total in 2018, as compared with 17 in 2017).

BREAKDOWN OF GROUP HEADCOUNT BY GEOGRAPHICAL AREA AT 31/12/2018

		2016	2017	2018
France	%	58.0	57.3	51.9
Southern Europe (excluding France)	%	9.5	8.8	7.8
Northern Europe	%	4.5	4.4	3.8
Americas	%	22.2	23.6	23.1
APAM	%	5.8	5.9	13.4

Proof of its international coverage, the group employs almost 50% of its staff outside France. The breakdown by geographical area shows a strong presence in Europe (63%) and in North America (23%), the proportion of employees outside Europe having grown by almost 8.5 points since 2016. With the acquisition in 2017 of two companies in India and Australia, the proportion of the group's headcount in the APAM region rose from 5.9% to 13.4%.

The group's internationalisation is also illustrated by the diversity of nationalities within top management: 45% of the Global Leadership Team are not French.

INDUSTRIAL COMPANY HEADCOUNT

BREAKDOWN OF GROUP HEADCOUNT BY STATUS AT 31/12/2018

		2016	2017	2018
Executives	%	20.8	23.6	22.2
Supervisory staff	%	1.9	1.8	1.7
Technicians ETD	%	30.4	26.0	27.5
Operators	%	46.9	48.6	48.7

The structure of the headcount by status in 2018 is generally similar to that of previous years. Overall, executive and non-executive staff represented 22.2% and 77.8% respectively.

A BALANCED AGE PYRAMID

BREAKDOWN OF THE GROUP HEADCOUNT BY AGE AT 31/12/2018

		2016	2017	2018
Aged 24 and less	%	3.0	3.8	5.3
25-34 years	%	19.7	19.8	21.2
35-44 years	%	37.5	36.7	35.7
45-54 years	%	26.5	26.9	25.4
55-64 years	%	12.2	11.9	11.5
Over 65 years	%	1.0	0.9	0.9

The recruitment of new employees in the company concerned a variety of profiles and expertise. It is worth noting that the significant employment of young graduates, particularly through dedicated recruitment campaigns, increased the proportion of employees under 35 years of age from 23.6% to 26.5%.

[17] GAIA Rating Methodology based on the 2016 Corruption Perceptions Index (CPI) of International Transparency: the countries selected have a score of <50 out of 100

4.3.1.2. GOVERNANCE OF THE HR POLICY

ORGANISATION OF THE HR DEPARTMENT

The Human Resources department is organised to meet the needs of all of the teams in the countries where the group operates: the teams based at the head office coordinate all of the French activities, and support the international teams where there are no local representatives. Large enough countries have dedicated teams. A general HR management committee ensures the cross-functionality of the Human Resources policies and the sharing of information, while a France HR Executive Committee is also set up given the size of the French workforce.

SOCIAL DIALOGUE

Social dialogue is managed in the countries in question.

In France, this social dialogue is organised around the different geographical sites with staff institutions set up and regularly involved in the running of the company. Coordination of social relations is organised by France HR Department. The NAOs (mandatory annual negotiations) are an important part of collaboration with our social partners. Like every year, the agreement signed in November by all of the trade union organisations is used to define the salary policy and organise the working time for the coming year.

DISABILITY POLICY

The Disability mission is rolled out on our French sites by various people. The Disability leader defines the strategic areas of the policy promoting workers with disabilities, in conjunction with the HR management committee. The Disability adviser guarantees implementation of the policy, with regard to both company employees and external players. The Disability site contacts coordinate operational deployment while the health unit (Works Doctor, nurses) provides employees with disability with direct support.

PROFESSIONAL EQUALITY

The Wo'Men by Manitou Group network, set up in 2015, works towards diversity and professional equality. Some sixty volunteer members, employees of the group, work to promote diversity:

- through awareness-raising actions for employees and/or external players, involving different countries: organisation of conferences and debates, involvement in fairs, sharing of experience with students, etc.
- through practical initiatives related to the professional development of women in the professions where they are least well represented: mentoring programme, promotion of production jobs, knowledge-sharing workshops and coaching.
- by supporting initiatives promoting the role and place of women in their professions and in the company.

TRAINING

The Human Resources department has a team dedicated to training actions, which deploys tools for the group and coordinates the skills development approaches in France. Each HR organisation in the countries is also responsible for training efforts for their populations.

In France, in 2018, a Training commission was set up, in line with the structure of the CCE (Central Works Committee). Around fifteen members from across the French sites ensure that common objectives are met: cross-functional communication for all French sites, consistency with management of mainly multi-site training actions, etc.

INTERNAL COMMUNICATIONS AND HR COMMUNICATIONS

A major contributor to the dissemination of messages and managing change within the teams, group internal communication was incorporated in 2017 into the Human Resources department. There are two focuses for the initiatives taken:

- Giving meaning to the tasks entrusted to employees and to group strategy, corporate structuring projects, as well as supporting communications by management.
- Encouraging relations between the teams, by developing more informal and instantaneous communication tools (like an internal social network, called KiT), and bringing them together around innovation and well-being at work topics thanks to an internal newsletter (overhauled in 2018) and an intranet.

Furthermore, the closeness with the HR teams also helps to support HR communication on topics related to the visibility of our employer brand externally.

4.3.2. EMPLOYEE COMMITMENT

In order to continuously improve the employee experience, at the heart of the HR policies and corporate culture, in-house opinion surveys are regularly used throughout the group.

Following on from the first edition in 2016, even more employees expressed their opinion in 2018 (89% as compared with 87% in 2016).

78% of employees say they are committed to the company, up 6 points compared with 2016. There are many positive messages, which demonstrates the proud sense of belonging and the confidence employees have in the future and in the company's strengths. Expectations are also expressed, in particular relating to the effort that is needed when it comes to communication and cooperation between teams.

These results have been shared within each department in order to initiate exchanges and enable employees to voluntarily work on areas for improvement. In the end, more than fifty action plans were put in place in all of the group's organisations.

4.3.3. ATTRACT TALENT

4.3.3.1. JOIN THE UP MOVEMENT, THE EMPLOYER BRAND PROMISE

Recognised and appreciated for its know-how, the Manitou group offers all employees a career accelerator. With this in mind, in 2017, the group developed a new employer brand that conveys a stronger message and reflects the company's culture. This enhances the group's positioning and appeal while ensuring consistency with the corporate brand and our industrial, logistical and service environments.

This new employer brand bears the signature "Join the Up Movement" and encourages external candidates to join a movement, an innovative and dynamic community. The "Up" is a reference to our handling activity and represents our promise as an employer to elevate talents throughout their experience within the group.

In 2018, the action taken related to the external reputation of this employer brand: overhaul of the careers site, visibility on job boards during the recruitment process, on social media and at fairs (job or recruitment). Deployment has also been reinforced internally, notably by raising awareness amongst employees about how they can embody this employer brand as "ambassador employees".

4.3.3.2. RELATIONS WITH SCHOOLS AND WELCOMING NEW GENERATIONS

Each year, the Manitou group welcomes and trains students on job placements or work-study programmes without our different organisations. In France, in 2018, 70 trainees and 45 new apprentices at different levels of studies benefited from work experience within the group. For them and for the group, job placements and work-study programmes are a source of learning, a means of communicating know-how and corporate culture.

Furthermore, our partnerships with business or engineering schools enable us to support the training of our future technicians, sales staff, engineers and managers within our employment catchment areas, and make recruiting them easier.

In France, these partnerships are formed in particular by the signature of agreements with regional players (11 partner schools in 2018). Within this context, the group takes part in events with students, contributes to training actions and fosters the link with the professional world.

For the last 3 years, the Handling the Future challenge, a competition for students enrolled in higher education in France, encourages innovation while developing close partnerships with schools in the region. In 2018, around 100 students imagined the development in 2020 of workstations for operators. As proof of the connection of this approach with our recruitment needs, one of the winners was taken on in September on our Beaupréau site. For the 2019-2020 school year, the students in our partner business schools will innovate around the Manitou brand's appeal for our customers of tomorrow.

Within the context of its partnership with the United Nations (see paragraph 4.5.3 p.62), the group started work with two universities on two subjects: ways of improving our supply chain from a carbon point of view, and the commercial development of a TCO approach in the United States.

4.3.3.3. REMUNERATION AND SOCIAL BENEFITS

In a strong recruitment phase, the salary policy is a key aspect of a group's appeal. The Manitou group attracts, motivates and retains talent by offering competitive, attractive, fair and stimulating global compensation structures. The group encourages and recognises each employee's contribution to the company's success and to customer satisfaction depending on their skills, their behaviour and their performance.

The Manitou group's compensation policy therefore relies on 5 main principles: internal equity, differentiation, performance-based compensation, recognition and competitiveness with regard to the markets.

To ensure the competitiveness of its compensation, the Manitou group has the practices of each country as a reference. The compensations taken into consideration are directly linked to those put in place by our main competitors and by the key players in the industrial sector.

4.3.3.4. INTEGRATION OF NEW EMPLOYEES

When they are first recruited, new group employees do an à la carte induction course: a mandatory EHS (Environment, Health and Safety) training session welcomes all newcomers (including trainees and apprentices) as soon as they arrive on site; then, depending on their position and status, they follow a personalised course during which they meet the main contacts for their activity. To acquire better knowledge of the group, all French group employees with a contract lasting more than three months attend one of the 'Up Days', the programme and format of which were completely overhauled in 2018. In the other countries, dedicated courses are organised by the local HR teams.

New French executives recruits are also given a week of induction in manufacturing on their arrival. This allows them to discover the trades, know-how and products of the group so that they have an understanding of the environment and how the production units operate.

4.3.3.5. WELCOMING EMPLOYEES WITH DISABILITIES

The Manitou group is convinced that the inclusion of employees with disabilities helps to improve the engagement and solidarity of the teams. 89 employees are recognised as having a disability in France and Italy, a number that has remained stable between 2017 and 2018, but that has grown relatively taking retirements into account. The reduction in relative value is explained by the significant increase in headcount in France during 2018.

STAFF WITH A DISABILITY

(Scope: France, other than LMH & CFM Ile-de-France, Italy) at 31/12/2018

		2016	2017	2018
Staff recognised as having a disability	No.	77	89	89
Percentage	%	3.60	3.97	3.58

The agreement signed in 2016 with AGEFIPH (the association managing the fund for the hiring of disabled persons) has led to the group implementing actions from the Disability policy for two years in France.

Raising awareness amongst the teams is vital. For example, 12 employees played an active role in Handisol, a day of sharing and education on the subject of disability. European Disability Employment Week was marked by 800 employees across all the sites. It looked at the topic of "Cancer in the Workplace", notably through the organisation of a conference and debate.

Alongside that, the group is continuing to support disabled employees in safeguarding of jobs. For example, it has fully adapted the workstation of a visually impaired employee.

4.3.3.6. POLICY IN FAVOUR OF GENDER EQUALITY IN THE WORKPLACE

The group's commitments to diversity continue, encouraging diversity through recruitment and career management for employees, while combating all forms of discrimination. For the last 3 years, the Wo'Men by Manitou Group network, dedicated to gender equality, has developed awareness-raising actions to accompany the changes and support local diversity initiatives.

BREAKDOWN OF GROUP FEMALE HEADCOUNT BY STATUS AT 31/12/2018

		2016	2017	2018
Executives	%	22.4	23.2	23.5
Supervisory staff	%	1.6	1.6	5.4
Technicians ETD	%	31.2	32.6	29.3
Operators	%	7.7	8.6	8.4
Total	%	**17.8**	**18.2**	**17.5**

The female headcount accounted for 17.5% of employees at 31/12/2018. The socio-professional categories associated with operations jobs remained mostly male.

Following on from an initial company-wide agreement on professional equality in 2015, then the signature in 2017 of the membership charter for the Regional Plan for Gender Equality in the Workplace, the Manitou group maintained its commitment in 2018 by signing a new professional equality agreement in March with all of the social partners. This agreement lays down the objectives and action plans for the next 4 years:

- Equal pay for equal work, already achieved in 2018.
- Introduction of mentoring to help women gain access to management positions,
- Promotion of professions to women.
- Implementation of an investment plan (parking spaces for pregnant women, female changing rooms, etc.).
- Payment, for employees on part-time parental leave, of the difference in the Pension contributions between full-time work and part-time work.
- Introduction of daycare places for employees's toddlers.

4.3.4. DEVELOP TALENT

4.3.4.1. ANNUAL DEVELOPMENT CYCLE

The personal development of employees reinforces the group's leadership and helps to optimise the employee experience. With this in mind, the Human Resources department, in conjunction with the manager, supports each employee in a personal development plan.

In 2018, the group defined a new global employee development policy in order to set a standard and establish common practices. A Leadership Model constructed in 2018 describes the individual skills and behaviour expected at four generic levels in the group.

To prepare leaders for tomorrow's challenges, in 2018 the group designed and implemented a development centre where top management can get constructive and positive feedback. This approach enables a complete and precise personal development plan to be co-constructed.

To encourage the development of talent within the group, four managerial milestones are put in place:

- The performance review, an annual process aimed at promoting exchange between each employee and their manager in order to align the respective expectations. Furthermore, this exchange also provides an opportunity to identify mobility wishes and development actions.
- Establishment of annual targets, aligned with the group's strategic objectives. Each employee puts forward targets to their manager to ensure their consistency and relevance.
- The review of talents and organisations opens up discussion on collective and individual performance within each organisation. This review also helps prepare for future skills developments and succession plans.
- Continuous development is a focus throughout the year with regular feedback, challenging missions, new projects, managerial support, and training actions according to the 70-20-10 approach. This model suggests learning 70% through activity and experience, 20% through relations and interactions with others and 10% through traditional training.

4.3.4.2. SKILLS DEVELOPMENT POLICY

Development of the skills of our employees goes hand in hand with a commitment to training, especially in France and Italy, which accounts for 2.25% of the payroll and an annual average of over 19 hours of training per employee, figures that have noticeably increased in 2018 (see below).

TRAINING-RELATED INDICATORS

(Scope: France, other than LMH & CFM Ile-de-France, Italy) at 31/12/2018

		2016	2017	2018
Training expenses	€	2 217 319	2 013 627	2 353 344
Total payroll	€	89 766 021	93 760 041	104 724 012
Portion of the payroll devoted to training	%	2.47%	2.15%	2.25%
Employees that have attended at least one training course	No.	1 357	1 483	2 088
Training access rate	%	63.50%	66.23%	83.92%
Total number of hours of training	No.	32 672	35 068	47 819
Average number of hours of training per employee	No.	15.29	15.66	19.22

The French law "for the freedom to choose one's professional future", promulgated in September 2018, is making fundamental changes to the training and apprenticeship system in France. This reform introduces new arrangements and calls for a cultural transformation. The Manitou group has seized this opportunity by making its Skills Development Plan (PDC) for 2019 more agile, responsive and scalable: the process of collecting requirements annually is replaced by identification throughout the year of training requirements, within the budgetary framework.

Alongside that, the group is working on different sites, both in France and elsewhere:

- A different kind of learning and training in a digital transformation context: in 2018, the Manitou group set up an e-learning platform to supplement the training offer, the Digital Campus. This new interactive space allows all connected employees in the group to develop their skills within the context of ongoing learning.
- Giving employees responsibility so that they take on an active role in their professional journey: more than 170 training actions were undertaken with Personal Training Accounts (CPFs), co-constructed and co-funded by the group.
- In 2018, the Italian HR teams developed a training plan of more than 4 000 hours for around 240 people. This plan, which will continue in 2019, aims to raise awareness about technical and behavioural/motivational topics, to optimise quality and engagement. At the same time, sessions of 40 hours of language-learning (French and English) have been completed by 24 employees, while 11 first-level managers have been given 4 days of management training.
- Reinforcement of the France manager role, locally and for structural management: two programmes are routinely conducted, in partnership with Alixio and Audencia. They aim to give supervisors responsibility and redefine the key roles and skills.
- Support for roll-out of the new ERP integrated management software: in the first half of 2018, 1 200 trainees completed modules created in-house by solution experts. This training plan has helped the teams get to grips with the group's new ERP version, within a very short time frame.
- Creation of a "France Commercial Performance" training action that supports the sale of integrated solutions. This training, co-constructed in 2018 with the teams, will be rolled out in 2019 over a broader scope.

4.3.4.3. INTERNAL MOBILITY

80% of Manitou's business is international. In addition, 48% of the group's workforce is located outside France and 45% of Top Management are not French. To develop our global exposure and foster international mobility, the group put in place a new international support policy in 2016. In 2018, 15 staff registered for this policy, which led to expatriation, impatriation, local and International corporate volunteer programme contracts being concluded.

The success of internal mobility can also be seen in the United States of America where, in 2018, there were 44 internal transfers within the Americas teams, enabling staff to build their skills and careers. The opportunities for all group employees have also been promoted, in particular by welcoming staff from France, Belgium and Australia.

4.3.5. PROMOTING LOYALTY AND RECOGNISING TALENT

Promoting the loyalty of talent helps to improve the company's performance and reinforces confidence and engagement. To do this, the group focuses its actions on a relevant compensation policy adapted to the specific nature of the company, on initiatives that encourage well-being at work and recognition of employee commitment, as well as on actions that guarantee a working environment conducive to professional and personal development.

4.3.5.1. A GROUP THAT ENCOURAGES THE LOYALTY OF ITS TALENT

BREAKDOWN OF THE GROUP HEADCOUNT BY LENGTH OF SERVICE AT 31 DECEMBER 2018

		2016	2017	2018
Less than one year	%	10.0%	13.1%	16.3%
1-4 years	%	21.4%	22.1%	26.2%
5-10 years	%	24.8%	21.9%	19.5%
11-20 years	%	28.6%	28.5%	24.7%
21-30 years	%	10.9%	10.9%	10.2%
Over 31 years	%	4.3%	3.6%	3.1%

Almost 38% of staff have worked for the group for more than 10 years, a sign of their attachment to the company and of the initiatives taken by the group to generate loyalty among its talents. The proportion of employees who have worked for the company for less than 5 years saw a sharp increase: 42.6% in 2018, as compared with 36.5% in 2017. For them, the process of immersion in the group p.55 is crucial.

MOVEMENTS OF THE GROUP'S PERMANENT HEADCOUNT AT 31 DECEMBER 2018

		2016	2017	2018
New recruits with open-ended contracts	No.	340	584	918
Resignations	No.	138	158	271
Dismissals	No.	62	96	114
Other grounds (mutual agreement, retirement, death, etc.)	No.	59	67	74
Voluntary departure rate (resignations/average permanent headcount)	%	4.32%	4.70%	6.70%

In 2018, 918 staff were recruited with permanent employment contracts, that is to say an increase of this type of recruitment of almost two thirds as compared with 2017. This recruitment reflects both the natural turnover of staff and the creation of new posts. Departures (459 staff in 2018, as compared with 321 in 2017) were monitored specifically by the Human Resources department. The voluntary departure rate for the 2018 financial year was 6.7%, as compared with 4.7% in 2017.

4.3.5.2. WELL-BEING AT WORK

The Manitou group facilitates and improves employee well-being in order to provide an attractive work atmosphere. Well-being at work is recognised as a driver for engagement, creativity and performance. Formal and informal actions have been taken close to the field to support employees. It reinforces the feeling of belonging to the Manitou group and therefore contributes to better collaboration between departments, especially because of the many exchanges and shared practices in these meetings.

Sport contributes to personal development, conveys the culture of our group and unites the teams while developing cross-functionality within the organisations. With this in mind, many actions are performed throughout the year:

- An internal Manitou Group sports association, Manitou Sporting Club, was set up at the end of 2017.
- This year, the Audencia-La Baule triathlon brought together almost 170 company entrants of 3 different nationalities, on their own or in teams. Since 2009, it has been a fun, popular moment for sharing.
- Organisation of running races for good causes in many countries (France, Italy, etc.)

Office employees enjoy work spaces that are evolving. To rethink the work environment, alternative collaborative spaces, and relaxation and sports areas, are gradually being installed on our sites in France, Russia, the United States of America, etc.

Through ad hoc and regular events throughout the year, at central level and on the sites, the group is undertaking concrete actions to contribute to the well-being of staff: monthly sales of organic food baskets on certain sites, massages, warm-up sessions before starting work, healthy breakfasts, art exhibitions, etc.

Sociable events are also organised with families, like in the Italian teams, which organised the 3rd annual Family Day in September, an open day when 1 200 employees and their families celebrated the 60th anniversary of the first Manitou masted forklift.

4.3.5.3. AN APPROPRIATE COMPENSATION POLICY

In France, the compensation policy is in line with active social dialogue that resulted in signature of a salary policy agreement signed by all trade union organisations. The agreement concluded unanimously as part of the Mandatory Annual Negotiations in November 2018 provided the group with an opportunity to reward the commitment shown by staff over the year, a year that had seen sharp rises in the volumes of business. This agreement also paved the way for progress with the group's social policy and improvements to the way in which the business is organised. Likewise, the creation of an economic and social library for staff representatives facilitates access to information and makes it easier for them to exercise their mandates.

The contribution of the teams to improvement of collective group performance criteria is recognised through profit-sharing agreements in several of our countries, particularly in France, at Manitou North Americas, in correlation with the improvement objectives identified.

In France, an individual social report in provided to each member of staff summarising all information pertaining to their salary components and employee benefits.

Recognition of employees is a vital aspect of commitment and motivation. The "Spot Awards" at Manitou Americas, the work medals in France and the Awards every new year are all opportunities to reward the teams.

4.3.5.4. ORGANISATION OF WORKING TIME

The duration and organisation of working time within the group is established in a corporate agreement based on the jobs performed by the various employee categories.

To contribute to a better balance and better use of employees' professional and personal time, the group supports all of its organisations to improve work methods and organisations, providing the teams with better working conditions while relying on the new opportunities provided by information technology.

Since 2014, the management population has been able to benefit from the remote working arrangement. In 2018, the introduction of a remote work charter has extended the scope to all eligible employees. Roll-out of these work methods improves efficiency and performance, while contributing to the well-being of employees.

4.4. PRIORITISING PREVENTION OF SAFETY-RELATED AND ENVIRONMENTAL RISKS

The health and safety of our employees and control of our environmental impact are one of our main priorities. Against a backdrop of strong business growth with the integration of many employees on temporary contracts, developing a culture of vigilance and security throughout the company is of the utmost importance.

Consistent with the CSR strategy, in 2018 the group defined a new Quality, Health and Safety and Environment policy. These commitments led by the Executive Committee and shared with all group employees are filtered down as strategic and operational objectives at every level of the company.

4.4.1. AN INTEGRATED MANAGEMENT SYSTEM

Determined to simplify and streamline the processes, in order to make them more robust and comply with changes in the Quality (ISO 9001) and Environmental (ISO 14001) standards, the group finalised a **project to bring the Quality and EHS management systems closer together**. Our aim is to have shared QEHS certification by 2020 at all French sites, including Health & Safety certification (ISO 45001).

	2015	2016	2017	2018
Proportion of ISO 14001-certified or eligible sites (as % of general revenue in the group*)	66%	70%	78%	78%

** group indicator including Manitou Equipment India (MEI), merged into the group in 2017.*

In addition to saving time and increasing the efficiency of our processes, these changes help simplify and improve the consistency of the system, deliver **better QEHS performance**, standardise operations across our sites and promote continuous improvement.

4.4.2. A STURDY ORGANISATION

In this context, a **QEHS** (Quality, Environment, Health and Safety) division was set up in 2018. This major change reinforces the standardisation of best practices within the group and sharing of experiences. Its objective is to enhance the skills of the EHS function on each of the production sites, first within the MHA scope, then at group level.

In order to improve responsiveness and closely monitor the health of employees, our group set up an **independent health department** in 2017 in France, comprising a full-time works doctor and three nurses.

This division means that there is an improved works doctor presence on all Health, Safety and Working Conditions Committees. We can also work in greater depth on the workstation studies to be conducted and can respond to medical examination requirements. The independent health department is authorised to work on 3 of the French sites. From 2019, the other two French sites will benefit from the services of this division.

In addition, in 2017, Manitou called for the regular presence of a **social worker** on French sites, thus putting in place a confidential support system for employees who need social aid. In 2018, an ergonomist joined the QEHS department to implement **ergonomic standards** within the group and work on **workstation design and layout.**

4.4.3. RESULTS

KEY HEALTH AND SAFETY FIGURES

			2016	2017	2018	Scope
Rate of absenteeism due to accidents and illnesses (including occupational illnesses)	Rate of absenteeism due to illness	%	3.29	2.90	2.99	France*, Italy
	Rate of absenteeism due to workplace accidents and occupational illnesses	%	0.50	0.42	0.29	France*, Italy
	Rate of absenteeism due to accidents and illnesses (including occupational illnesses)	%	3.79	3.31	3.28	France*, Italy
Accident frequency and severity rates (employees)	Frequency rate	No.	15.45	10.72	10.88	France*, Italy, USA
	Severity rate	No.	0.34	0.37	0.24	France*, Italy, USA
Accident frequency and severity rates (temporary workers)	Frequency rate	No.	19.03	42.20	46.67	France*, Italy
	Severity rate	No.	0.18	0.4	0.59	France*, Italy
Number of occupational illnesses recognised in the year		No.	3	4	6	France*, Italy

* France means excluding LMH and CFM Ile de France

A key social performance indicator, the rate of absenteeism for simple illnesses, workplace accidents and occupational illnesses is monitored regularly. The average rate in 2018 was 3.28%, as compared with 3.31% in 2017. These indicators reflect well-being within our group and remain below the national average for this industry sector.

2018 saw a slight increase in the frequency rate for the group (from 10.72 in 2016 to 10.88 in 2018), but there was a reduction in the number of days of sick leave for our Manitou employees (severity rate from 0.37 in 2017 to 0.24 in 2018). The frequency rate for our temporary workers increased (rising from 42.20 to 46.67 in 2018), as did the severity rate (from 0.40 to 0.59).

This result is primarily explained by a significant increase in our activity that led to us taking on many temps in our workshops. In 2018, the group reinforced its EHS teams in France by integrating permanent trainers and restructuring management of EHS training. As a result, the volume of hours given this year multiplied by 3 compared with 2017. Particular attention will be paid to the safety of our employees in 2019.

SAFETY-RELATED TRAINING FIGURES

		2016	2017	2018	Scope
Number of hours of health and safety training	No.	6 245	5 632	12 055	France*, Italy
Hours of health and safety training as a proportion of total training hours	%	19.1%	16.1%	25.2%	France*, Italy
Number of hours of health and safety training	No.	7 966	7 398	15 051	France*, Italy, USA

* Excluding LMH Solutions & CFM Ile-de-France

KEY ENVIRONMENTAL FIGURES

	Unit	2017	2018	2017-2018 variation	Scope
Equivalent trucks produced	No. of MLT735 equivalent trucks produced	27 092	32 022	+18%	France*, Italy, USA**, India
Energy consumption	kWh/truck equivalent	2 668	2 660	-0.3%	France*, Italy, USA**, India
Water abstracted	M3/truck equivalent	1.69	2.08	+23%	France*, Italy, USA**
VOC emissions	kg VOC/truck equivalent	4.56	4.92	+8%	France*, Italy, Yankton
Volume of industrial waste	kg/truck equivalent	232	230	-1%	France*, Italy, Waco, Yankton
GHG emissions	kg CO_2 eq/truck equivalent	355	362	+2%	France*, Italy
Paint consumption	Kg/truck equivalent	7.4	9.4	+27%	France*, Italy, India
Compliance of aqueous industrial discharge	%	98.5%	96.9%	-1.6 pt	France*, Italy

* France means excluding LMH and CFM Ile de France

** USA includes all 3 production sites: Yankton, Madison and Waco

For 2017 and 2018, the consolidation scope of the environmental indicators was extended and now includes the United States of American and India. The integration of these new territories, along with the high level of activity, explains the negative variation of certain indicators. The increase in water consumption comes mainly from leaks that have been identified. The increase in paint consumption and VOC emissions is also explained by the increase in demand for colours by our rental customers, which requires cleaning and purging of the installations at every colour change. Waste reduction continued, also accompanied by the quality of sorting at source. For example, for ordinary industrial waste, 73% of the waste is reused or recycled, 17% is recovered as energy, 11% is sent to landfill (compared with 14% in 2017). All steel waste is reused.

4.4.4. MANAGEMENT OF OUR RISKS

Each industrial site analyses its Safety and Environment risks and opportunities each year.

The main safety risks associated with our business are as follows:

- Falling objects, falls from height, trips
- Impact between a truck and a pedestrian or another vehicle
- Injury caused by manual or mechanical handling
- Injury caused by use of welding and grinding equipment
- Noise and vibrations
- Fire & explosion
- Acute or chronic pain caused by workstation ergonomics
- Exposure to chemicals

The group's industrial activity also carries the following risks:

- **Air, water and soil pollution. Discharges of volatile organic compounds (VOCs) into the atmosphere and the risks of water pollution are linked to the painting activity. Greenhouse gas emissions are mainly associated with consumption of energy and non-road diesel. Lastly, there is also a risk of chemical spillage.**
- **Fire and explosion** associated with battery charging rooms and paint booths.

Lastly, faced with the **depletion of resources**, the group has a responsibility to be as economical as possible with the natural resources it needs for its business, such as energy and water, and to recycle its waste such as steel.

Operationally, many actions are undertaken every day to ensure management of the aforementioned risks:

- **Visual management** through initiatives such as the **DANTOTSU approach:** analysis of near-miss accidents, incidents and accidents in production centre workshops. This is a very useful tool for ensuring the active weekly participation on site of the various parties concerned.
- **Awareness-raising and training of employees when they are recruited, and then continuously.**
- **Adaptation of workstations** and processes to validate new stations and equipment.
- **Working groups** on the reduction of specific risks.
- **Regular communications** on EHS issues (meetings, circulation of safety/environmental instructions, intranet articles and posters).
- **The CSR best practices platform,** which enables best safety and environment practices to be shared.

In 2018, significant improvement actions were completed on our production sites:

- All industrial projects now require an **EHS impact assessment** for the MHA division. For the CEP division, although the assessment has not yet been formalised, special attention is paid to the improvement of the EHS impacts of projects. In Yankton, investment in a compressed air manipulator arm now means that wheels can be picked up and put down more securely and with minimum operator effort.
- In order to reduce **VOC emissions** into the air, aerosols containing solvents have been replaced by water-based aerosols for paint touch-ups. This project, which led to an 84% reduction in VOC discharges for this process, won an Elevation challenge prize and will be rolled out to the other sites.
- Continued **improvement of waste management** on all sites, for example with the creation of a recycling centre on one of the American sites (Waco in Texas).
- Regarding **the reduction of energy consumption and the associated greenhouse gases**, LED technology has been rolled out to several sites and countries to also improve visual comfort with improved light levels. In the USA, the installation of automatic doors and a forced air curtain in the warehouse has helped to reduce energy losses; in India, an automatic timer has led to exhaust fans being turned off outside of production hours.
- **Reduction of water consumption** with the installation of a sprinkler test water reinjection system in France, and an automatic detection system on water tanks to prevent waste in India.
- Continuous vigilance regarding the conformity of our discharges, with replacement in Italy of a wastewater treatment plant and improvement of the purification process, and reduction of potential anomalies in the machine washing output.
- Deployment of **collaborative training spaces** incorporating an EHS workshop to train and educate employees.
- **Safety awareness campaigns**: Malaysia is leading a campaign on topics that are important locally: fire safety, road safety, construction site safety, and forklift truck driver certification. This campaign is targeted at all local employees and won an award in the 2018 CSR challenge.

The group works constantly on **the digitalisation of its prevention actions.** By way of an illustration, digitalisation of internal EHS audits has improved operational efficiency. Reporting of accidents and incidents is also starting to go paperless.

4.4.5. MONITORING AND CONTINUOUS IMPROVEMENT

Throughout the year, **a network of internal auditors** also checks compliance of the management system. These auditors come from various fields, and they therefore bring higher added value to the leaders of the processes audited through their feedback.

In 2019, new auditors will be trained, in particular to initiate the approach to check the requirements of ISO 45001 (health and safety).

Lastly, monitoring and measurement actions are performed in order to maintain constant vigilance, in particular:

- Workstation audits and combined visits.
- Operational monitoring plan.
- Regulatory checks.
- Management of indicators.
- Technological and regulatory monitoring.

4.5. CREATING VALUE WITH OUR PARTNERS

The Manitou group places particular importance on the dialogue it maintains with its stakeholders, throughout the regions in which it operates. The CSR strategy is based on the creation of shared value with all of the key players, developed here through:

- **Suppliers**, through a responsible Purchasing policy.
- **Regional players**, with whom interactions ensure that a strong local presence is established.
- **Civil society**, by taking part in socially-responsible actions and managing contracts as ethically as possible.

4.5.1. OUR SUPPLIERS

The sustainability of the group rests largely on the strength of our network of suppliers. Working over time with them, leading innovative projects together, building win-win partnerships and equitable relationships all help to strengthen our sector.

The group must also constantly adapt to the volatility of its markets. The proximity to the production sites and their regional presence help to meet our need for responsiveness and flexibility and also help to reduce our environmental footprint by limiting the use of transport.

Furthermore, monitoring the financial health of our customers and suppliers (risk of dependency or of default) is a major part of reducing risk for the group.

Lastly, by involving all the partners in our value chain, our Elevation Plan now has greater relevance because it has become shared. We are therefore keen to share our aims with our suppliers and our customers operating in 140 countries.

OUR RESPONSIBLE PURCHASING POLICY

In 2012, we rolled out a Responsible Purchasing policy aimed at creating sustainable, balance and creative value with our suppliers for all the stakeholders. This initiative is undertaken in conjunction with **all the Purchasing Department staff**.

To this end, the group received a new award at the 11th annual Purchasing Awards on 19 June 2017 in Paris: **the Innovation for Business prize**, on the following topic:

"Developing relational and collaborative links for improved efficiency and value creation with an ecosystem"; this translated into the deployment of the first **Think Tank** with three suppliers for a multi-business line consultation and consideration of all the options for optimisation based on the principle of an extended company.

Since this policy began, the focus has been put on the following areas:

PROMOTING COMMITMENT TO A RESPONSIBLE PURCHASING CHARTER

Improving the performance of our suppliers has a direct impact on the performance of our machines and the satisfaction of our customers, whilst also boosting the profitability of our suppliers. This is why the group developed and **rolled out a Responsible Purchasing charter to all of its suppliers in 2014** (production scope). Its aim is to **share its expectations** as regards environmental, social, ethical and economic responsibilities and to detail the commitments expected in return from suppliers and subcontractors.

In 2018, **more than 200 suppliers** signed this charter. These commitments were also rolled out to the suppliers of our CEP division in the USA.

MONITORING OF SUPPLIER CSR PERFORMANCE

Since 2016, the **performance assessment** criteria for suppliers of production items have been were improved and five CSR criteria added: **Responsible offer, Health and Safety, Sourcing and Suppliers, Environment and HR Development and Socially-responsible policies.** These criteria, incorporated in the overall evaluation of suppliers, accounting for 10% of the overall rating, are used to measure the supplier's level of commitment to sustainable development. In 2018, **77% of the suppliers rated**[18] undertook this self-assessment.

Furthermore, this tool for exchanges with suppliers allows us to collect many best practices each year on the various topics assessed; the ten most relevant practices were incorporated into the Manitou group's good practices then circulated to the supplier panel via the Manitou group supplier extranet. The aim is to **share CSR best practices** with all suppliers.

In 2018, purchasers (from the MHA and S&S divisions) were **given training in the CSR audit** of suppliers. This training was used to co-construct an audit kit and define a list of priority suppliers, in order to achieve the 2019-2022 objectives.

REVERSE RATING BY SUPPLIERS

At the end of 2016, we launched a reverse rating (evaluation of the performance of Manitou by its suppliers). The supplier rating having been in place since 2011 with subsequent improvements, it seemed to use to be important, both to pursue improvements in our performance and **to balance our relationship**, to introduce this process. The results as regards our suppliers are as follows:

- 86% satisfaction across all the areas assessed.
- Based on 97% of the criteria, Manitou's performance was deemed to be better or identical to that of other clients.
- No areas were assessed as below a 60% satisfaction level.
- 50% of the criteria assessed with a satisfaction level of over 90%.
- Endorsed on the major points of the inter-companies relationships charter, such as **CSR policy, compliance with payment terms and conditions, compliance with commitments and the balance of the supplier relationship,** with more than 95% of suppliers satisfied as regards these points.

This first reverse rating was used to identify areas for improvement that were filtered down into the business lines and covered by action plans.

PRODUCTIVITY INITIATIVES

By taking part in "productivity initiatives" with our suppliers, we are committed to the **ongoing improvement of the offer** of our stakeholders. During these initiatives, we make a Manitou employee available to our suppliers so that an assessment can be drawn up in conjunction with the supplier, a site analysis is conducted and an action plan then put in place aimed at improving the processes or the products. A prior commitment is made to share any savings with suppliers. This system helps to create **relationships based on trust and transparency** with our stakeholders.

SUPPLIERS CONVENTION

At the 2018 Suppliers Convention, the Purchasing division met 200 main suppliers. This annual event was a chance to look back over 2018 and to **reward the performance of the best suppliers.**

OPTIMISED PROCUREMENT AND DISTRIBUTION

Recognising that the volume of lorries was not optimised and generated costs and environmental impacts, the logistics departments developed and deployed for our transport companies **an optimisation tool for European logistics flows**. This tool relies on the volume, dimension and weight of the products transported and on groupage of loads, and has been implemented by our partner. Optimisation of upstream road flows with our suppliers has therefore been rolled out and integrated since 2017 into Manitou Italia flows for more consolidation.

An internal Transport Management System (TMS) tool is currently being rolled out in the USA to reproduce optimisation of upstream flows and machine distribution. It is 100% deployed (road and overseas) in order to optimise rounds and limit empty kilometres.

In 2018, in France, a project was launched to **drastically reduce the transport of machines** between the various production units and:

- the main site
- external storage zones

At the end of this project, 90% of machines will be stored and dispatched on their production site or in the immediate vicinity. They will therefore go from each site to customers, thus freeing up space on the main site and **reducing the number of kilometres travelled.**

Lastly, to better take into account the cost of transport and improve its impacts, this has been integrated into the sequencing process for **machine development projects.**

4.5.2. ETHICAL PRACTICES AND FIGHT AGAINST CORRUPTION

Being a community-minded company also means measuring the compliance that we must demonstrate in our ethical practices; this is as much a response to the new regulations (especially the "Sapin 2" law), as a desire of the group Executive Committee and senior management bodies.

Cybersecurity and personal data protection in particular are major challenges for the group given the digital revolution and the connectivity of its machines.

IT SECURITY

To deal with the risk of cyber attacks or fraud, various systems have been implemented:

The **IT Security Policy** is based on standard ISO 27002 and applies to all employees around the world.

A **data security committee** works on the basis of risk mapping, performed using internal and external analyses. This committee strives for continuous improvement by monitoring progress of a roadmap since 2016. Its main objectives are:

- management of systems
- anticipation of threats
- raising of employee awareness

Since 2018, an **awareness-raising campaign** for employees has been organised through a gaming platform providing information about IT security best practices. Out of 3 000 invitations at group level, 750 people have played this educational game.

A telephone number is available for reporting any IT issues.

DATA PROTECTION

The requirements of the General Data Protection Regulation (European Regulation 2016/679) reinforces the obligations of companies processing personal data.

The Manitou group is continuing its actions to ensure that it complies with this regulation and that personal data, whether it relates to its employees, suppliers or customers, is processed and kept securely, including within the context of the deployment in early 2019 of **its machine connectivity solutions.**

Specifically with regard to **employee data**, the applications have been mapped and processes have been recorded. The HR teams regularly monitor the compliance plan, which was defined with help from an external service provider.

[18] MHA and S&S divisions scope

Work relating to compliance and improvement is coordinated and checked by the Audit, Risk & Compliance department, which has reinforced its resources with the appointment of an **IT Security Officer**.

FIGHT AGAINST CORRUPTION

In 2010, the group decided to adopt an ethical charter promoting values of integrity and responsibility that applies both to the company as a legal entity and to all employees. The proportion of the workforce working in countries where there is a sensitivity to corruption is 16.1%[19].

In 2015, the group also signed up to the **United Nations Global Compact.**

Over the past three years, several **key actions have been launched**:

The audit and corporate governance area was strengthened, with the drafting of an **internal audit manual and a subsidiary governance manual.**

All of the group Executive Committee members received training at end of 2016 on topics related to business ethics and ethical practices.

A working group was set up to implement measures and procedures arising from Law 2016-1601 of 9 December 2016 (Article 17, Sapin 2 Law). This group involves the group's Compliance, Legal, HR, Finance and Corporate Secretary functions. Furthermore, the members of this working group are also regularly involved in the "Middlenext Anti-Corruption Editorial Service" working group, the aim of which is to provide its members with common tools to implement the measures required by law.

In 2018, the working group performed the following actions:

- **Corruption-related risks** were mapped. This mapping is used to identify, analyse and prioritise the company's risks of exposure to external stresses for corruption purposes, depending in particular on the business sector and the geographical area in which the company performs its activity.
- An **anti-corruption code of conduct** was sent to the subsidiaries and taken into account by the governing bodies of the different group entities.
- A procedure for analysing the situation of our customers, our first-tier suppliers and our intermediaries is currently being written, in particular with transmission of a **due diligence questionnaire** (questionnaire the format of which has been approved by the Middlenext working group).
- The group finalised drafting of its **Gifts policy** for deployment in 2019.
- **An alert procedure** was written and is being rolled out to all of the countries where the group has a presence.
- **An Ethics Committee charter** was drawn up with a view to setting up an **Ethics Committee** that will be involved in this warning system.
- A service provider was identified for **e-learning** in order to raise employee awareness of corruption.

The group is therefore continuing its work to integrate the **recommendations of the AFA** (French Anti-Corruption Agency). Implementation of the measures imposed by the law is regularly monitored by the Audit Committee.

4.5.3. SPONSORSHIP AND COMMITMENT TO THE COMMUNITY

We believe we have a responsibility to share our environmental, social and societal commitments with the communities in order to encourage other players to set up similar initiatives. Our actions must have a positive impact on the territories.

A NEW SPONSORSHIP POLICY

Through our business lines, we have a presence in a wide variety of territories and are in a position to reach a great diversity of players and stakeholders.

For many years, diverse actions have been undertaken on the initiative of employees, in partnership with our dealership network, in order to improve people's everyday life and have a direct impact on the environment.

In 2018, **a group sponsorship policy, focused on Education**, was launched. With this new direction, the group hopes to support new generations in their personal and professional development in all of the places where we operate. In 2018, a steering committee, made up of two members of the Executive Committee, and the CSR and Communication departments, worked on the definition of organisation conditions, and will be responsible for reviewing the educational projects proposed by employees. Lastly, to give all employees the opportunity to get involved in socially minded projects, the group has set the target of donating 2 200 volunteer hours in 2022.

To step up its involvement in South Africa and meet the strictest criteria of the Broad-Based Black Economic Empowerment (B-BBEE) programme, the group chose to bring **the Columba Leadership Trust charity fund into the capital of Manitou Southern Africa.** The mission of the fund to support young people in vulnerable situations fits perfectly with our education-related actions.

NETWORKS AND LOCAL PLAYERS

We are aware of the important role networks and local presence play in the success of our activities. That is why we value and promote the dialogue held with our dealerships, our end customers and regional players (local schools, communities and organisations, associations, etc.). The actions developed must contribute to a responsible economy, to co-construction of solutions, to the distribution and sharing of our expertise and to dialogue.

The Manitou group has launched an initiative to promote the UN Sustainable Development Goals (SDGs). Within the context of this project, entitled Elevation Frontiers, developed and led by our North American subsidiaries, Manitou Americas works in partnership with two Australian and English universities that belong to the United Nations to come up with innovative solutions with the aim of achieving the SDGs. This project started in early 2018 and will come to an end in June 2019 with the student presentations.

The Manitou group belongs to **Comité 21**, the first French sustainable development network. A member since 2015, we are actively involved in the dynamics of the territory. For example, we share our experiences and facilitate exchange between the various parties. In 2018, the group welcomes forty or so external participants to a work day on "The Circular Economy: new designs, new economic models" organised in partnership with the Regional Council of Pays de la Loire and with the support of the Pays de la Loire DREAL (Regional Department of the Environment, Planning and Housing).

The group is also committed locally in the Pays de la Loire region through its interactions with local players: **COMPA** (Community of municipalities in the Pays d'Ancenis area), **ADIRA** (Association for the industrial and economic development of the Ancenis region) or even **Nantes Métropole municipal authority and the Nantes Saint-Nazaire Chamber of Commerce and Industry** (CCI). The actions are aimed both at initiatives related to the circular economy in the territory and at other CSR subjects.

By way of an example in 2018, the Manitou group chose to enter into a partnership with the first edition of **Social Change, a major CSR event**. Bringing together more than 500 people, the event united public and private players from the city and the region, all working in the same direction: putting sustainable development and social issues at the heart of the company. Manitou Group had a stand and was able to share its approaches.

Manitou also joined forces with **the Nantes University Innovation Campus Day,** a 24-hour creative marathon in which around 100 students, in multidisciplinary teams, came up with and developed innovative solutions in response to the challenges of the Energy Transition.

[19] GAIA Rating Methodology based on the 2016 Corruption Perceptions Index (CPI) of International Transparency: the countries selected have a score of <50 out of 100

4.6. GROUP CSR PERFORMANCE

Thanks to its level of commitment, the Manitou group has been regularly rewarded by external bodies for its CSR performance.

In this section, we also provide information about the methodology used to calculate indicators and the tables of correspondence with the key standards.

PRIZES AND REWARDS

Group performance on CSR has gained acclaim and been rewarded by the presence of the group in the most significant CSR indices and through winning several awards. In particular:

The Manitou group, responding for the fifth year running to the **Gaïa Index** questionnaire, had a rating unchanged from 2017. We are in 18th place (out of 230) in the general classification and in 16th place (out of 85) in the classification of companies with "Revenue > €500 million".

Two awards related to human resources:

- The "**Digital strategy serving HR efficiency prize**" prize was awarded to the Manitou group at the 5th edition of the HR Digital Team Award. This distinction rewards the group for all of the HR tools deplored in the last 6 years.
- **The Gold Award in the PME category** of the **"Best practices in leading human ressources"**, organised by the Décideurs magazine and the Leaders League. Four actions were promoted in particular: development of the "service" offer and culture, the employer brand, artificial intelligence for the in-house opinion survey and the new disability policy.

Amongst the honours concerning products & solutions:

The Manitou group won **two bronze medals** at the SIMA Awards ceremony. **The Eco Stop function** available on the MLT range of agricultural machines and **the solution for recycling end-of-life Manitou equipment** were rewarded. These two innovations confirm the group's commitment to reducing the Total Cost of Ownership (TCO) for users and the carbon footprint of Manitou machines.

At the end of 2017, the group won **the "Étoile du Design Made In France" prize.** Awarded by APCI (Agency for promotion of industrial design), this prize recognises the work done by the Design and R&D teams **in stylistic, ergonomic and functional terms** on the MLT NewAg range of agricultural telehandlers.

METHODOLOGY GUIDE

Implementing an annual non-financial reporting system within the Manitou group is intended to meet several goals:

- Manage the social, environmental and societal performance of the group.
- Communicate transparently about the group's major CSR challenges.
- Comply with the non-financial performance declaration (Decree of 9 August 2017).

In this regard, Manitou drew inspiration from the Global Reporting Initiative (GRI) guidelines and complies with the principles of the UN Global Compact. Its roadmap is in line with the United Nations' Sustainable Development Goals.

The CSR department can be contacted on the address **elevation@manitou-group.com.**

SCOPE

Since the first reporting exercise in 2012, the group has acquired reporting procedures and put in place a suitable organisation for gathering the information for publishing. The scope of the information, initially restricted to France (Manitou BF), has been gradually extended. The 2018 scope covered:

For environmental indicators:

- All of our French and Italian sites are covered by all of the indicators. This reporting scope therefore includes 5 of the group's 8 production sites (including the group's largest industrial site) and the spare parts logistics centre.
- The reporting scope for some of the indicators is extended to the Manitou Americas (Waco, Yankton and Madison) and Manitou Equipment India production sites in 2018.

For the social indicators: since 2015, the scope for social reporting has covered all the Manitou group subsidiaries as regards social information related to headcount. Only Manitou BF, for France, Manitou Americas for the United States and Manitou Italia (covering 87% of headcount) have included the indicators relating to compensation and safety training within the scope of their CSR reporting. The training, workplace accidents and absenteeism indicators only cover France and Italy (65% of headcount). The scope for France excludes LMH (33 employees) and CFM Ile de France (creation in 01/01/2017). The Internal Audit Department conducts (HR) audits for all the subsidiaries. The companies acquired by the group in 2017, Manitou Equipment India (MEI) and Marpoll Pty Ltd (LiftRite), have been incorporated into the indicators relating to headcount in this report.

From the point of view of global management of the 2018-2022 CSR objectives, indicators can be incorporated to better appreciate the progress of the action plans.

PROCEDURE

The follow-up procedures are deployed through three main tools:

- A methodology guide, which clarifies how the reporting is organised (roles and tasks) and makes it possible to standardise procedures and definitions.
- Two data collection tables for each topic (environment, social).
- An internal audit table, which is used to follow up the validation procedure.

Each of the indicators is followed up on a half-yearly or yearly basis.

Consistency (indicator scope and definition) is checked by the topic leaders, to whom the data is sent. Lastly, an internal auditor, independent of the procedure, is appointed to approve or challenge indicators, by linking them with the action plans rolled out throughout the year or comparing them with source data.

In order to meet the requirements set out by Order 2017-1180 of 19 July 2017 and Decree 2017-1265 of 9 August 2017, the Manitou group commissioned the GRANT THORNTON firm to certify the presence and fairness of the social, environmental and societal information published in its management report.

CLARIFICATIONS REGARDING METHODOLOGY – ENVIRONMENT, HEALTH AND SAFETY INDICATORS

Non-financial reporting covers the period from 1 January to 31 December of each year. To facilitate reporting, data for environmental indicators and indicators linked to workplace accidents is gathered for the period from 1 December to 30 November, with the exception of water, which is for the period from 1 October to 30 September (based on quarterly bills).

"MLT 735 truck equivalent": as the site produces different ranges and sizes of machines, a conversion factor has been assigned to each product based on the weight of a reference truck: the MLT 735 from the agricultural range, the weight of which is 7.1 tonnes. This ensures clearer reporting, given the diversity of the products in the results for the indicators in question.

Compliance of aqueous industrial discharge: measurement where the result is below the discharge threshold value imposed by the regulations that apply to the production site. The sites concerned by discharges are those with wastewater treatment facilities (Ancenis and Laillé in France, and Castelfranco in Italy).

Waste: the European waste classification system is used to determine the category to which waste belongs: hazardous waste, non-hazardous recyclable waste and non-recyclable waste.

Material recycling or recovery: reprocessing of materials or substances contained in waste using a production process that leads to the creation, or incorporated into, new products, materials or substances. This includes the reprocessing of organic materials, but does not include energy recovery.

Re-use: direct use of the waste, without recourse to any process to transform it.

Energy recovery: use of an energy source produced through the processing of waste.

Landfill: storage of waste at a rubbish tip or buried underground.

Volatile Organic Compound (VOC) emissions: emissions are assessed using mass balance calculations.

The following solvent content coefficients were applied during assessment of the paint and solvent VOC emissions. Water-based paint: 0.09 / Solvent-based paint (polyurethane): 0.52 / Solvent-based paint (oil): 0.65 / Thinner, solvent: 1.

Water abstracted: overall consumption of mains water is calculated using water bills.

Paints: consumption is assessed based on the quantities used during the year (quantities purchased – variation in stock).

Energies: the energy consumption taken into consideration is the purchased consumption of electricity and gas.

GHGs: the greenhouse gas emissions of the production sites (Scopes 1 and 2) do not include insignificant welding gases. The emission factors were updated again in 2018 and will be updated again in three years (Ademe database).

Sick leave: the sick leave considered concerns leave approved by the country's reference organisation (the CPAM health insurance office in France). The theoretical number of hours worked corresponds to the theoretical number of hours, minus any holidays specified in the collective labour agreement.

Workplace accidents: The frequency rate is the number of accidents with sick leave * 1 000 000 / number of hours actually worked. The severity rate is the number of days of sick leave * 1 000 / number of hours actually worked. We count occupational illnesses separately: when the same employee is affected by two separate occupational illnesses, we count both illnesses. In 2014, the indicator counted occupational illnesses reported. Since 2015, the indicator has counted accepted occupational illnesses.

CLARIFICATIONS REGARDING METHODOLOGY – SOCIAL INDICATORS

Non-financial reporting covers the period from 1 January to 31 December each year. It does not include the acquisitions made in 2017: Manitou Equipment India (MEI) and Marpoll Pty Ltd (LiftRite) in Australia for indicators related to headcount.

Employees: members of staff with an employment contract with Manitou or one of its companies - excluding non-consolidated companies. This means staff with open-ended or fixed term employment contracts (including those on the international corporate volunteer programme) present on 31 December 2018, whether they are on full-time or part-time working. Those with vocational-training or apprenticeship contracts or on sabbatical, maternity, parental or sick leave are included in headcount. Job-placement students are not counted as employees. Expatriates and seconded employees are included in the host country figures.

Headcount:

France headcount: employees working for Manitou BF, LMH and CFM Ile de France are out of scope (subsidiaries with insignificant headcount)

Italy headcount: employees working for Manitou Italia.

USA headcount: employees working for Manitou Americas.

Executives: any member of staff working in a post classed as an executive position by the Global Grading System (Towers Watson methodology).

USA executives: any member of staff with an IC (Incentive Compensation).

Worker: any member of staff that supports the production processes or supports other processes, such as design or distribution.

Operator: any member of staff whose main activity is to contribute directly to the production processes.

Recruitment: any new employment contract, be it for a fixed term or open ended, concluded during the year under consideration. A recruitment is not counted when a fixed-term contract is renewed on the same basis. Two recruitments are counted when a second fixed-term contract is concluded following a break period, when the basis of the contract changes or when someone on a fixed-term contract is recruited on a permanent basis. Internal transfers (mobility) and secondments are not considered to be recruitment.

Training: the number of hours of training between 1 January and 31 December of each year is included for employees (fixed-term and open-ended contracts), whether the training is delivered in-house or externally and regardless of whether or not the trainer is accredited. Training entitlement under the personal training account arrangement is included in the hours of training. Only training with a sign-off or attendance sheet is included for this indicator. The actual hours of training are counted. Hours of training are counted in the year of the training plan to which they are linked. Health and safety training covers, for example, fitness-to-drive certificate (CACES), transport of hazardous materials, ATEX (explosive atmospheres), etc. It includes in-house training.

Training costs: training costs cover the salary costs of the people receiving training, teaching costs, any equipment and organisation costs, transport and logistics costs, the salary costs of in-house trainers and mandatory contributions (e.g. the accredited employer/trade union-funded training contribution collection body for the metal industry, OPCAIM, and the individual training leave management fund, Fongecif, in France) after deduction of training subsidies.

Disability: person is considered to have disabilities if acknowledged as such by an accredited organisation or institution under the terms and conditions laid down in the prevailing legislation and regulations.

4.7. NON-FINANCIAL PERFORMANCE DECLARATION (DPEF) CROSS-REFERENCE TABLE

NON-FINANCIAL PERFORMANCE DECLARATION (DPEF) CORRESPONDENCE TABLE	IN THIS DOCUMENT, REFER TO...
Business model	Chapter 1: THE MANITOU GROUP (page 12)
Mapping of non-financial risks	4.1.1 The group's main non-financial risks and challenges (Page 45)
Policies and procedures	4.1.1 The group's main non-financial risks and challenges (Page 45)
Management indicators	4.1.1 The group's main non-financial risks and challenges (Page 45)

Societal commitments in favour of combating food waste, combating food insecurity, respect for animal well-being and a responsible, fair and sustainable diet do not concern the Manitou group in relation to its business.

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
SOCIAL INFORMATION						
EMPLOYMENT						
Total headcount and distribution of employees (by gender, age and geographical area)	I.a) 1.1 to 1.4	G4-9 G4-10 LA1 LA12			p.53	Headcount Breakdown by sex, age, length of service, contract, status and geographical area
Movements of headcount (Recruitments and departures)	I.a) 2.1 and 2.2	EC6 LA1	6.4.4	-	p.57	Number of recruitments and departures (resignations, dismissals and other reasons) Voluntary departure rate Number of employees on international mobility
Remuneration	I.a) 3.1	G4-51* G4-52* G4-53* G4-54* EC1 EC5			p.55	Total payroll
Change in compensation	I.a) 3.2	G4-55*				Change in payroll compared with change in headcount
WORK ORGANISATION						
Organisation of working time	I.b) 1	-	6.4.4	-	p.57	
Absenteeism	I.b) 2				p.59	Rate of absenteeism due to accidents and illnesses (including occupational illnesses)
SOICAL RELATIONS						
Organisation of social dialogue	I.c) 1	LA4	6.4.3 & 6.4.5	# 3	p.54	-
Outcome of collective agreements reached within the company	I.c) 2					
HEALTH AND SAFETY						
Health and safety in the workplace	I.d) 1	LA5			p.59	Number of hours of training devoted to safety
Agreements signed with trade unions or employee representative bodies as regards health and safety at work	I.d) 2	LA8			p.54	-
Frequency and severity of workplace accidents	I.d) 3	LA6 LA7	6.4.6	# 4 - 5	p.58	Accident frequency and severity rates for group employees Accident frequency and severity rates for temporary workers
Occupational illnesses	I.d) 4	LA6				Number of occupational illnesses recognised in the year
TRAINING						
Training policies implemented	I.e) 1	LA10 LA11		-	p.54 to p.56	Percentage of the payroll devoted to training
Number of hours of training	I.e) 2	LA9 HR2	6.4.7			Number of employees that have attended at least one training course Training access rate Average number of hours of training per employee
EQUAL TREATMENT						
Measures taken to promote gender equality	I.f) 1	LA3 LA12 LA13			p.55	Proportion of female headcount by status
Measures taken to promote the employment and integration of people with disabilities	I.d) 2	LA12	6.3 & 6.3.7	# 6	p.54, p.55	Number of people with disabilities and proportion in the headcount
Anti-discrimination policy	I.f) 3	LA12 HR3			p.55	

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
PROMOTION AND COMPLIANCE WITH THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION (ILO)						
Uphold freedom of association and the right to collective bargaining	I.g) 1	HR4	6.3.3-6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	# 3	p.54	Signature of the UN Global Compact
Elimination of discrimination in employment and profession	I.g) 2	HR3	6.3.6 & 6.3.7 6.3.10 6.4.3	# 6	p.54, p.55	Proportion of female headcount by status Proportion of people with disabilities in headcount
Elimination of forced labour	I.g) 3	HR6	6.3.3-6.3.5 6.3.10 6.6.6	# 4	p.60, p.62	Signature of the UN Global Compact
Effective abolition of child labour	I.g) 4	HR5	6.3.3-6.3.5 6.3.7 6.3.10 6.4.5 6.6.6 6.8.4	#5	p.60, p.62	
ENVIRONMENTAL INFORMATION						
GENERAL ENVIRONMENTAL POLICY						
Company organisation in place to deal with environmental issues	II.a) 1.1	G4-1	6.5.1 & 6.5.2	# 7 - 8 - 9	p.50, p.58	-
Environmental assessment or certification procedures	II.a) 1.2	-			p.58	Proportion of revenue generated by ISO 14001-certified sites
Training and information provided to employees on environmental protection issues	II.a) 2	G4-43*			p.59	
Resources devoted to the prevention of environmental risks and pollution	II.a) 3	EN30 EN31			p.59	
Amount of provisions and guarantees allocated to environmental risks	II.a) 4	EC2				Since 2013, the company has taken out a specific "environmental damage" insurance policy, the purpose of which is to insure against environmental damage caused by its activities (France and Italy)
POLLUTION						
Prevention, reduction and repair measures: air	II.b) 1.1	EN20 EN21 EN24	6.5.3	# 7 - 8 - 9	p.59	VOC emissions per equivalent truck produced
Prevention, reduction and repair measures: water	II.b) 1.2	EN10 EN22 EN24 EN26			p.59	Compliance rate for aqueous industrial discharge
Prevention, reduction and repair measures: soil	II.b) 1.3	EN24			p.59	
Integration of noise pollution and any other form of pollution specific to an activity	II.b) 2	EN24	-	-	p.59	-
THE CIRCULAR ECONOMY						
Waste prevention and management	II.c).i)	-	-	-	-	-
Prevention measures, recycling, re-use and other forms of waste recovery and elimination	II.c).i) 1	EN23 EN24 EN25 EN28	6.5.3	# 7 - 8 - 9	p.50, p.59	Volume of industrial waste generated per equivalent truck produced Recycling rate by type of industrial waste
Actions taken to combat food waste	II.c).i) 2	-	-	-	-	-
Sustainable use of resources	II.c).ii)	-	-	-	-	-
Water consumption	II.c).ii) 1.1	EN8	6.5.4	# 7 - 8 - 9	p.50, p.59	Water consumption per equivalent truck
Water supply as per local constraints	II.c).ii) 1.2	EN8 EN9				We are not subject to local constraints as regards water supply
Consumption of raw materials	II.c).ii) 2.1	EN1 EN2			p.50, p.52, p.59	Paint consumption per equivalent truck
Measures taken to improve efficiency in the use of raw materials	II.c).ii) 2.2	-				
Energy consumption	II.c).ii) 3.1	EN3 EN4				
Measures taken to improve energy efficiency	II.c).ii) 3.2	EN6 EN7				Energy consumption per equivalent truck
Measures taken to improve the use of renewable energies	II.c).ii) 3.3	-			-	Installation of solar panels in Benelux (360 m²) and several panels at the Castelfranco site in Italy No other use of renewable energies
Use of land	II.c).ii) 4	EN11			-	New R&D tests building: ground area of 810 m²

CORRESPONDENCE TABLE	GRENELLE II LAW, Article 225, and the Decree of 19/08/2016	GRI, version 4	ISO 26000 standard	Global Compact	In this document, refer to...	Indicator and/or comments
CLIMATE CHANGE						
The significant items of greenhouse gas emissions generated by the activity of the company, especially due to the use of goods and services that it produces	II.d) 1	EN15 EN16 EN17 EN18 EN19	6.5.5	# 7 - 8 - 9	p.52, p.59	GHG emissions by equivalent truck
Adaptation to the consequences of climate change	II.d) 2	-			-	-
PROTECTION OF BIODIVERSITY						
Measures taken to preserve or develop biodiversity	II.e) 1	EN11 EN12 EN13 EN14 EN26	6.5.6	# 7 - 8 - 9	-	-

INFORMATION RELATING TO SOCIETAL COMMITMENTS IN FAVOUR OF SUSTAINABLE DEVELOPMENT AND THE TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS

RELATIONSHIPS MAINTAINED WITH PERSONS OR ORGANISATIONS INTERESTED IN THE COMPANY'S ACTIVITIES						
Conditions of dialogue with these persons or organisations	III.b) 1	G4 26 G4-37	5.3.3	-	p.48, p.62	-
Partnership and corporate sponsorship actions	III.b) 2	EC 7	6.8.9	-	p.62	-
SUB-CONTRACTING AND SUPPLIERS						
Integration of the social and environmental challenges in the purchasing policy	III.c) 1	LA14 LA15 EN33 HR5 HR9 HR11	6.6.6	# 1 - 2	p.60	-
Importance of sub-contracting and the integration of social and environmental responsibility into relationships with suppliers and sub-contractors	III.c) 2	LA14 LA15 G4-12 EN32 EN33 HR5 HR9 HR11 S09 S010	6.6	# 1 - 2	p.60	-
ETHICAL PRACTICES						
Actions undertaken to prevent fraud and corruption	III.d) 1	G4-56 - G4-58 SO3 SO4 SO5	6.6.3	# 10	p.62	Proportion of the headcount working in sensitive countries in terms of corruption (GAIA Rating Methodology based on the 2016 Corruption Perceptions Index (CPI) of International Transparency: the countries selected have a score of <50 out of 100
Measures taken to promote the health and safety of consumers	III.d) 2	EN27 PR1 PR2 PR3 PR4 PR6 PR7 PR8 PR9	6.7.4	# 10	p.52	-
Other actions undertaken to support human rights	III.e)	HR1 HR2 HR7 HR8 HR9 HR10 HR11 HR12	6.3-6.8 6.6.6 & 6.6.7 6.8.3	# 1 - 2	-	Signature of the UN Global Compact

Key: *Indicators partially covering the topic.

Source: Adapted from [Utopies, 2017] [(1)], [Institut RSE, 2011] [(2)] [GRI-ISO, 2014] [(3)]

[(1)] Correspondence table for the non-financial reporting criteria for Grenelle II (article 225 and Decree of 19/08/2016) - GRI G4. Utopies. 4 p. February 2017.

[(2)] Correspondence table for Grenelle II, art. 225 – GRI 3.1 – ISO 26000 – Global Compact, Institut RSE. 2 p. August 2011

[(3)] GRI G4 Guidelines and ISO 26000:2010 How to use the GRI G4 Guidelines and ISO 26000 in conjunction. GRI & ISO. 42 p. January 2014.

4.8. INDEPENDENT VERIFIER'S REPORT ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE DECLARATION PRESENTED IN THE MANAGEMENT REPORT

Year ended 31 December 2018

To the Shareholders,

In our capacity as an independent third-party organisation of Manitou, accredited by COFRAC under number 3-1080[1], we hereby present you with our report on the consolidated non-financial performance declaration related to the year ended 31 December 2018 (hereinafter the "Declaration"), presented in the management report pursuant to the legal and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

COMPANY RESPONSIBILITY

It is the responsibility of the Board of Directors to establish a Declaration that complies with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in light of these risks and the results of these policies, including key performance indicators.

The Declaration was established by applying the company's procedures (hereinafter the "Reference System"), the significant elements of which are presented in the Declaration.

INDEPENDENCE AND QUALITY CONTROL

Our independence is established under the provisions of Article L.822-11-3 of the French Commercial Code and the code of ethics of our profession. In addition, we have put in place a quality control system that includes documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our responsibility, based on our work, to give a reasoned opinion expressing a moderate assurance conclusion on:

- the compliance of the Declaration with the provisions laid down in Article R.225-105 of the French Commercial Code.
- The accuracy of the information provided pursuant to Article 3 of I and II of Article R.225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions, relating to the main risks, hereinafter the "Information".

It is not our responsibility, however, to decide on:

- compliance by the company with the other applicable legal and regulatory provisions, particularly with regard to the vigilance plan and the fight against corruption and tax evasion.
- The conformity of the products and services to applicable regulations.

NATURE AND SCOPE OF THE WORK

Our work described below was performed in accordance with the provisions of Articles A.225 1 et seq. of the French Commercial Code laying down the conditions under which the independent third-party organisation conducts its mission and according to international standard ISAE 3000 - *Assurance engagements other than audits or reviews of historical financial information.*

We carried out work enabling us to assess the conformity of the Declaration to regulatory provisions and the accuracy of the Information:

- We familiarised ourselves with the activity of all of the companies included in the consolidation scope, the statement of the main social and environmental risks associated with this activity.
- We assessed the suitability of the reporting criteria based on their relevance, completeness, reliability, neutrality and understandability, taking into consideration, where applicable, industry best practices.
- We checked that the Declaration covers each category of information provided for in III of Article L.225 102 1 for social and environmental issues.
- We checked that the Declaration includes an explanation of the reasons for the absence of the information required by the 2nd indent of III of Article L.225-102-1.
- We checked that the Declaration presents the business model and the main risks associated with the activity of all of the entities within the consolidation scope, including, where this proves relevant and proportionate, the risks created by its business relations, its products or its services, as well as the policies, actions and results, including key performance indicators.
- We checked, where relevant given the main risks of policies presented, that the Declaration presents the information provided for in II of Article R.225-105.
- We assessed the process for selecting and validating the main risks.
- We enquired about the existence of procedures put in place for internal audit and risk management.
- We assessed the consistency of the results of the key performance indicators with regard to the main risks and policies presented.
- We checked that the Declaration includes a clear and reasoned explanation as to why there is no policy concerning one or more of these risks.
- We checked that the Declaration covers the consolidated scope, namely all of the companies included in the consolidation scope in accordance with Article L.233-16 with the limits stated in the Declaration.
- We assessed the collection process put in place by the entity with regard to the completeness and truthfulness of the Information.
- We implemented the following for the key performance indicators and the other quantitative results we considered to be the most important [2]:
  - Analytical procedures involving checking the correct consolidation of the data collected and the consistency of any changes.
  - Detailed tests on the basis of surveys, involving checking correct application of the definitions and procedures and comparing the data in the supporting documents. This work was conducted for a selection of contributing entities [3] and cover between 56% and 82% of the consolidated data of the key performance indicators and results selected for these tests.
- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) we considered to be the most important [4].
- We assessed the overall consistency of the Declaration given our knowledge of the company.

We consider that the work we conducted by exercising our professional judgement enables us to draw a moderate assurance conclusion; a higher level of assurance would have needed more extensive verification work.

MEANS AND RESOURCES

Our work mobilised the skills of four people and took place between October 2018 and February 2019 for a total project time of around four weeks.

To assist us in our work, we called upon sustainable development and social responsibility experts. We held interviews with the people responsible for preparing the Declaration.

CONCLUSION

Based on our work, we did not find any significant anomalies likely to call into question the fact that the non-financial performance declaration complies with the applicable regulatory provisions and that the information, taken as a whole, is presented sincerely in accordance with the Reference System.

Neuilly-sur-Seine, 3 April 2019

The Independent Verifier

Grant Thornton

French Member of Grant Thornton International

Vincent Frambourt, Associate

[1] Accreditation scope available on the www.cofrac.fr website.

[2] Social information: headcount; distribution by gender, age, length of service, contract and geographical area; proportion of female headcount by status; proportion of people with disabilities in headcount; movements; voluntary departure rate; change in compensation; absenteeism rate; accident frequency and severity rates for group employees; number of employees that have attended at least one training course; average number of hours of training per employee.

Environmental information: VOC emissions per equivalent truck produced; compliance rate for aqueous industrial discharge; volume of industrial waste generated per equivalent truck produced; recycling rate by type of industrial waste; water consumption per equivalent truck; paint consumption per equivalent truck; energy consumption per equivalent truck; emissions of GHG by equivalent truck.

[3] France, USA, India, Italy.

[4] Quality information relating to eco-design, the product-service system, professional equality and the responsible purchasing policy.

5. REPORT ON CORPORATE GOVERNANCE

In accordance with the provisions of Article L.225-37 of the French Commercial Code, the Board of Directors has produced this report on corporate governance appended to the management report. This report on corporate governance was approved by the Board of Directors on 6 March 2019.

This chapter on corporate governance reports on the operation and composition of the Board, its committees and management bodies, the compensation paid to the governing and executive bodies and detailed information on the capital.

5.1. GOVERNANCE IN 2018

Since August 2010, the company has been adhering to the Middlenext Code of Corporate Governance for Mid-caps. This Code can be found on the Internet at www.middlenext.com.

In addition, the Board of Directors has taken note of the items presented under the heading "Points to be watched", which are the key provisions of the Code.

The governance system is organised so that there is no overlap between the functions of a non-executive Chairman of the board of Directors and a Chief Executive Officer, the only permanent representative with executive power. This report sets out in detail the three key governance powers, as defined in the Middlenext Code.

All the rules of procedure for the Board of Directors are set out in an internal regulation establishing four specific committees:

- The Strategic Committee.
- The Compensation Committee.
- The Audit Committee.
- The Development Committee.

GOVERNANCE CHANGES IN 2018

Following the Annual General Meeting on 14 June 2018, the company's Articles of Association were modified to bring them into line with the provisions of Article L.225-27-1 of the Commercial Code and provide in Article 12 *bis* for a director representing the employees, who is not taken into account when determining the minimum and maximum number of directors provided for in Article 12.

The Board Members recorded the appointment of Stéphane Renaud as employee director, elected by the employees, on 10 September 2018.

5.1.1. OPERATION OF THE BOARD OF DIRECTORS AND SPECIALISED COMMITTEES

OPERATION OF THE BOARD OF DIRECTORS

The internal regulation sets out the way in which the Board of Directors is organised and operates. In particular, it specifies the role and operational procedures of the Board of Directors and its specialised committees, established in accordance with the legal and statutory provisions and the provisions of the Articles of Association. The regulation also details the roles and powers of the Chairman and the Executive Management, as well as their respective obligations. In this regard, it includes a Directors' Charter setting out the rights and obligations incumbent on Manitou's Directors to ensure good corporate governance. These principles are based on the duties of due diligence, independence, transparency and confidentiality.

During 2018, the members of the Board of Directors met 9 times. During these meetings, the group's business, the strategic guidelines and the current projects were reviewed.

In particular, questions relating to assessment of the Board of Directors were discussed. Special attention was paid to the acquisition by the Columba Leadership Trust fund of 26% of the capital of Manitou Southern Africa to enable the Manitou Group to reinforce its commitment in South Africa, while meeting the strictest criteria of the Broad-Based Black Economic Empowerment (B-BBEE), to real estate acquisition projects (increase in production capacity), to renewal of the painting facilities on the Aubinière site, to changes of the Board of Directors' internal regulation to the ERP project (overhaul of the processes and construction of a group platform) and to the group's roadmap relating to sales financing.

Meetings of the Board are held, when convened by the Chairman, at the head office or, on an exceptional basis and for a portion of the members, over a secured telephone line.

Each member of the Board of Directors, and all staff representatives convened, received, in advance of the meetings, all the documents and information required by law and necessary for them to accomplish their tasks.

Minutes are drawn up systematically for each Board Meeting and provided to each member for approval. The average attendance rate at Board of Directors meetings for 2018 was 96.7%.

The statutory auditors were convened to Board meetings involving the half-year and full-year financial statements closing, in accordance with Article L.823-17 of the Code of Commerce.

The Directors are compensated in the form of attendance fees, the allocation of which is decided by the Board of Directors on the advice of the Compensation Committee, based on the Board members' attendance and the time they devote to their office, including attendance at specialised committees. The Chairman of the board receives compensation in accordance with the provisions of article L.225-47 of the Code of Commerce as well as attendance fees. Details of all such compensation are given in paragraph 5.3.

BOARD SECRETARY

Hervé Rochet, Corporate Secretary, acts as Secretary to the Board.

SPECIALISED COMMITTEES

The Board of Directors has set up four specialised committees responsible for examining matters within the scope of their assignment and for submitting advice and recommendations to the Board.

THE STRATEGIC COMMITTEE

Its main responsibilities are to assist the Board in drawing up strategy. It prepares the work of the Board in relation to the strategic plan, to any proposal for a strategic agreement, technological cooperation, industrial partnership, diversification or the range of activities, and all major investment or disposal transactions.

The Strategic Committee met 3 times in 2018. The average attendance rate at the meetings of the Strategic Committee was 94.4% for 2018.

The work of the 2018 Strategic Committee is not made public for confidentiality reasons.

On the day this report was produced, the Strategic Committee is made up of Jacqueline Himsworth, Chairman of the Committee, Gordon Himsworth, Sébastien Braud, Christopher Himsworth, Marcel-Claude Braud and Dominique Bamas, an independent director.

THE AUDIT COMMITTEE

The members of the Committee have special skills for dealing with financial or accounting matters. These skills are assessed on the basis of their training and professional experience. For each of the members of the Audit Committee, they are given in paragraph 5.1.2 of this document.

The key tasks of the Audit Committee are to:

- Monitor the process of drawing up financial information and, where appropriate, to formulate recommendations to guarantee their integrity;
- Analyse the financial impact of investment or disposal transactions;
- Monitor the effectiveness of internal control and risk management systems and, where applicable, the internal audit, as regards the procedures for preparing and processing accounting and financial information; Organise the process for renewing the statutory auditors and issue a recommendation on the statutory auditors proposed for appointment by the Annual General Meeting. This recommendation to the Board is produced in accordance with regulations; it also issues a recommendation to the Board when renewal of the term of the auditors is anticipated under the conditions laid down by regulations;
- Monitor the performance by the Statutory Auditors of their mandate and take into account the statements and conclusions of the French supervisory body for the auditing profession, the "Haut Conseil du Commissariat aux Comptes", in the wake of any audits conducted pursuant to legislative and regulatory provisions;
- Ensure compliance by the statutory auditors with the criteria for independence in accordance with the terms and conditions laid down by law;
- Approve the provision of services other than certification of the accounts in accordance with the applicable legislation and regulations;
- Report regularly to the Board on the performance of its tasks. It also reports on the findings of the certification of accounts process, on the way in which this process contributes to the integrity of the financial information and on the role that it plays in this process. It informs the Board without delay of any difficulty encountered.

Since the auditing reform in June 2016, the Audit Committee has stepped up its work. It therefore met ten times in 2018. The average attendance rate of the Audit Committee meetings was 100% for 2018.

Minutes were drawn up for each meeting and the Audit Committee regularly spoke at the Board of Directors meetings to present its recommendations and conclusions. These recommendations were followed by the Board of Directors. The speeches made by the Audit Committee are set out in the minutes for the Board meetings.

In 2018, the Audit Committee met with the statutory auditors before the annual and half-yearly close of the accounts. These meetings gave rise to detailed exchanges between the Audit Committee and the statutory auditors when the new report by the statutory auditors was drawn up and presented.

It also verified the independence of the statutory auditors and took note of all the internal audit reports on the internal control tools and procedures put in place, that were presented by the Audit, Risk and Compliance Vice-President. During these meetings, it met regularly with the Corporate Secretary-CFO and the VP Finance Director, principally to deal with financial issues, redesign of the statutory auditors, the ERP project (overhaul of the processes and construction of a group platform), sales financing and compliance issues (Sapin 2, GDPR).

On the day this report is drawn up, the Audit Committee is made up of: Pierre-Henri Ricaud, Chairman of the Committee, Gordon Himsworth, Emilie Braud and Cécile Helme-Guizon.

THE COMPENSATION COMMITTEE

Its main responsibilities are to prepare the work of the Board relating to the compensation of:

- The Directors, by making proposals on the allocation of attendance fees based on the criteria laid down in the internal regulation, on the compensation of the Chairman of the board of Directors and on the compensation granted to any directors assigned to certain tasks;
- The President & CEO, by expressing an opinion on his total compensation, pension and healthcare schemes, fringe benefits and sundry rights, by proposing rules on variable compensation consistent with the group's strategy and the corresponding criteria for evaluation and by checking that they are applied in accordance with the company's duty of transparency as regards such compensation, the details of this compensation being set out in the annual report.

More generally, the Committee is informed on an annual basis of the compensation policy applying within the group to the various employee populations and draws up the "Say on pay" report.

The Compensation Committee met 4 times during the course of 2018. The average attendance rate of the meetings of the Compensation Committee was 93.8% for 2018. Its work was the subject of feedback to the Board of Directors.

On the day this report is drawn up, the Compensation Committee is made up of: Dominique Bamas, Chairman of the Committee, Carole Lajous, Sébastien Braud and Christopher Himsworth.

THE DEVELOPMENT COMMITTEE

The primary mission of the Development Committee is to discuss and analyse projects that may have a significant impact on the group's shareholding.

The Development Committee is made up of the directors who are members of the shareholder families. It meets once or twice a year and can, if it wishes, invite the President and CEO and members internal or external to the company.

The Development Committee met twice during 2018. The average attendance rate of the meetings of the Development Committee was 100% for 2018. It should be noted that attendance at the meetings of this committee does not give an entitlement to the allocation of attendance fees.

On the day this report is drawn up, the Development Committee is made up of: Jacqueline Himsworth, Chairman of the Committee, Gordon Himsworth, Sébastien Braud, Christopher Himsworth, Marcel-Claude Braud and Émilie Braud.

5.1.2. COMPOSITION OF THE BOARD OF DIRECTORS OF MANITOU BF AND ITS COMMITTEES

The company is managed by a Board of Directors made up of 11 members (including the director representing the employees).

The Board of Directors appoints a Chairman of the board of Directors from amongst its members, who must be an individual. Jacqueline Himsworth was elected as Chairman of the board of Directors following the Annual General Meeting on 8 June 2017 (in accordance with the shareholder agreement signed on 3 May 2017).

The only change to the composition of the Board that took place in 2018 was the appointment of a director representing the employees.

COMPOSITION OF THE BOARD OF DIRECTORS - SUMMARY TABLE

Directors	Date of 1st appointment	Date of last renewal	Term of office [1]	Term of office expires	Age	Independence according to the Middlenext Code	Gender	Committee membership
Jacqueline Himsworth Chairman since 08.06.2017	1970	08.06.2017	4	AGM 2021	75		F	Chairman of the Strategic Committee Chairman of the Development Committee
Dominique Bamas	2009	08.06.2017	2	AGM 2019	59	yes	M	Chairman of the Compensation Committee Member of the Strategic Committee
Emilie Braud	2017		4	AGM 2021	37		F	Member of the Audit Committee Member of the Development Committee
Marcel-Claude Braud	2013	08.06.2017	4	AGM 2021	66		M	Member of the Strategic Committee Member of the Development Committee *Alternate Member of the Compensation Committee* [2]
Sébastien Braud	2009	08.06.2017	4	AGM 2021	49		M	Member of the Compensation Committee Member of the Strategic Committee Member of the Development Committee *Alternate Member of the Audit Committee* [2]
Cécile Helme-Guizon	2017		4	AGM 2021	53	yes	F	Member of the Audit Committee
Christopher Himsworth	2009	08.06.2017	4	AGM 2021	47		M	Member of the Compensation Committee Member of the Strategic Committee Member of the Development Committee *Alternate Member of the Audit Committee* [2]
Gordon Himsworth	1998	08.06.2017	4	AGM 2021	80		M	Member of the Audit Committee Member of the Strategic Committee Member of the Development Committee
Carole Lajous	2017		4	AGM 2021	53	yes	F	Member of the Compensation Committee *Alternate member of the Strategic Committee* [2]
Stéphane Renaud Employee director	2018		3	09.09.2021	56		M	
Pierre-Henri Ricaud	2009	08.06.2017	2	AGM 2019	63	yes	M	Chairman of the Audit Committee *Alternate Member of the Compensation Committee* [2]
Governance indicators						40%[3]	40%[3]	

[1] The date on which this report on corporate governance is produced is used to determine the term of office
[2] The alternate member appointed for the committees replaces, in the meetings of said committee, the member that is unable to attend
[3] In accordance with the law, the director representing employees is not counted when establishing this percentage

COMPOSITION OF THE BOARD OF DIRECTORS' COMMITTEES

	COMPENSATION COMMITTEE
MEMBERS	DOMINIQUE BAMAS, Chairman
	CAROLE LAJOUS
	CHRISTOPHER HIMSWORTH
	SÉBASTIEN BRAUD
ALTERNATE MEMBERS	PIERRE-HENRI RICAUD
	MARCEL-CLAUDE BRAUD

	AUDIT COMMITTEE
MEMBERS	PIERRE-HENRI RICAUD, Chairman
	EMILIE BRAUD
	CÉCILE HELME-GUIZON
	GORDON HIMSWORTH
ALTERNATE MEMBERS	SÉBASTIEN BRAUD
	CHRISTOPHER HIMSWORTH

	DEVELOPMENT COMMITTEE
MEMBERS	JACQUELINE HIMSWORTH, Chairman
	GORDON HIMSWORTH
	CHRISTOPHER HIMSWORTH
	MARCEL-CLAUDE BRAUD
	SÉBASTIEN BRAUD
	EMILIE BRAUD

	STRATEGIC COMMITTEE
MEMBERS	JACQUELINE HIMSWORTH, Chairman
	SÉBASTIEN BRAUD
	MARCEL-CLAUDE BRAUD
	CHRISTOPHER HIMSWORTH
	GORDON HIMSWORTH
	DOMINIQUE BAMAS
ALTERNATE MEMBER	CAROLE LAJOUS

JACQUELINE HIMSWORTH
CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 8 JUNE 2017 FOR A FOUR-YEAR TERM
MEMBER OF THE BOARD OF DIRECTORS SINCE 1970, RE-ELECTED ON 8 JUNE 2017 FOR A FOUR-YEAR TERM

Nationality: French

Born on: 27 May 1943

Business address: Manitou BF 430 Rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Professional experience and expertise:

A graduate of the ESSCA French business college; Chair of Ets Marcel Braud from 1986 to 2000; Managing Director of SFERT from 1984 to 2009 and Chief Executive Officer of SFERT from 2009 to 2011.

Other offices or positions currently held (Manitou Group):

- Chair of the Strategic Committee since 8 June 2017.
- Chair of the Development Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- Vice-Chairman of the board of Directors until 8 June 2017.
- Chair of the Audit Committee until 8 June 2017.
- Member of the Development Committee until 8 June 2017.

Other offices held in companies associated with the group:

- Manager of the civil-law partnership Ancemat since 2008 (company not listed)

Other offices in companies related to the group that expired during the last five years:

- None

Other offices in companies independent of the group:

- Manager of Tamecna since 2011 (company not listed)

Other offices in companies independent of the group that expired during the last five years:

- None

DOMINIQUE BAMAS
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR
SINCE 23 APRIL 2014. RE-ELECTED IN JUNE 2017 FOR A TERM OF TWO YEARS

Nationality: French

Born on: 15 September 1959

Business address: 25 Rue Michel Ange - F-75016 Paris

Professional experience and expertise:

A graduate of Audencia Nantes business management college and a chartered accountant. After starting his career with the PriceWaterhouse representative in France, he became a partner in the certified accounting and auditing firm Secovec Blin et Associés. He then joined the Roullier group as CFO and Executive Committee member, Chief Executive Officer of a subsidiary in Spain, President of the agrochemicals division and then Chief Executive Officer of the Axereal group until 2011. Since then, he has managed a firm specialising in accounting, auditing, consulting and corporate mediation.

Other offices or positions currently held (Manitou Group):

- Chairman of the Compensation Committee since 8 June 2017
- Member of the Strategic Committee since 8 June 2017

Offices expired during the last five years (Manitou Group):

- Member of the Strategic Committee until 8 June 2017
- Chairman of the Compensation Committee until 8 June 2017.
- CEO of Manitou BF from 6 March 2013 to 13 January 2014
- Director of Manitou Finance Ltd from March 2013 to January 2014 (company not listed)
- President of Manitou Americas from March 2013 until January 2014 (company not listed)

Other offices in companies independent of the group (companies not listed):

- Member of the Avril Pole Végétal group Liaison Committee since 28 May 2014 (company not listed)
- Member of the Avril Pole Végétal group Board of Directors since 28 May 2014 (company not listed)
- President of Upsides Dirigeant Conseil SAS (company not listed) since November 2011

Other offices in companies independent of the group that expired during the last five years:

- None

EMILIE BRAUD
MEMBER OF THE BOARD OF DIRECTORS. APPOINTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 20 February 1981

Business address: Manitou BF 430 Rue de l'Aubinière - BP 10249 - F-44158 Ancenis Cedex France

Professional experience and expertise:

A graduate of the ESSEC business school, with a specialisation in Audit and Management Control, holder of a DECF (accounting and financial studies diploma) as well as a "Target: Board member" certificate for the EM LYON business school, Emilie Braud began her career in 2006 as financial controller for Cartier in Paris, a subsidiary of the Swiss group Richemont, specialising in luxury jewellery and clock making. At the end of 2007, Emilie Braud joined HRA Pharma, a pharmaceutical company specialising in the development and marketing of treatments in the fields of women's health and endocrinology, where she held the position of Senior Financial Controller.

Other offices or positions currently held (Manitou Group):

- Member of the Audit Committee since 8 June 2017
- Member of the Development Committee since 8 June 2017

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group:

- None

Other offices in companies independent of the group that expired during the last five years:

- None

MARCEL-CLAUDE BRAUD

MEMBER OF THE BOARD OF DIRECTORS SINCE 28 JUNE 2013. RE-ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 06 April 1952

Business address: Manitou BF 430 Rue de l'Aubinière - BP 10249 - F-44158 Ancenis Cedex France

Professional experience and expertise:

A graduate of ESLSCA Paris Business School (1975), he undertook management training in Atlanta and Chicago (International Harvester), USA, from 1977to 1978. Administrative and Financial Director for SM Termit France, a subsidiary of Manitou BF, from 1979 to 1981, CFO of KD Manitou (a subsidiary of Manitou BF, Texas, USA) from 1981 to 1985, Product Marketing Director (Manitou Group) from 1986 to 1997 and Deputy CEO of Manitou BF from 1986 to 1998, Chairman of the Supervisory Board of Manitou BF from 1998 to June 2009 (offices held in subsidiaries and companies associated with the group), Director of Ligerien Yachting from 2009 to 2015, the Director of Manitou BF since 2013.

Other offices or positions currently held (Manitou Group):

- Member of the Strategic Committee since 8 June 2017
- Member of the Development Committee since 8 June 2017
- Alternate Member of the Compensation Committee since 8 June 2017

Offices held in companies associated with the group:

- Co-Manager of HB-Holding Braud (France) since 1997 (company not listed)

Offices in companies related to the group that expired during the last five years:

- Member of the Strategic Committee until 8 June 2017

Other offices in companies independent of the group:

- None

Other offices in companies independent of the group that expired during the last five years:

- Director of Ligérien's Yachting (France) until 2015 (company not listed)

SÉBASTIEN BRAUD

MEMBER OF THE BOARD OF DIRECTORS – DIRECTOR SINCE JUNE 2009. RE-ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 16 January 1969

Business address: Actiman - 34 Avenue de Larrieu – Centre de Gros 2 – F-31094 Toulouse Cedex

Professional experience and expertise:

President of Actiman Equipements et Services SASU (Manitou dealership), President of Actiman Location SAS since 2005 (now a leasing company specialising in handling materials and aerial work platforms), Product Manager at Manitou for 10 years.

Other offices or positions currently held (Manitou Group):

- Member of the Strategic Committee since 8 June 2017
- Member of the Development Committee since 8 June 2017
- Member of the Compensation Committee since 8 June 2017
- Alternate Member of the Audit Committee since 8 June 2017

Offices expired during the last five years (Manitou Group):

- Member of the Compensation Committee until 8 June 2017
- Alternate Member of the Strategic Committee until 8 June 2017
- Alternate Member of the Audit Committee until 8 June 2017
- Alternate Member of the Development Committee until 8 June 2017

Other offices in companies independent of the group (companies not listed):

- President of Actiman Location SAS since 2005.
- President of Actiman Equipment et Services SASU since December 2015.

Other offices in companies independent of the group that expired during the last five years:

- None

CÉCILE HELME-GUIZON

MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR. APPOINTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 12 June 1965

Business address: Institut Français des administrateurs - 11 bis Rue Portalis, F-75008 Paris

Professional experience and expertise:

A graduate of EM Lyon, a chartered accountant and a director certified in France and the UK, Cécile Helme-Guizon began her career in 1987 with PwC, first in auditing and then in corporate finance. She subsequently joined Kingfisher plc as Mergers and Acquisitions' Director.

She took a position with Darty in 2001 as International Development Director, then General Director for Subscriptions and Services Activities and subsequently Strategy Director, a post she held from 2011 to 2017. From 2014 to 2016, she also undertakes the executive management of Mistergooddeal.

Cécile Helme-Guizon is currently Chief Executive of the French Institute of Administrators and also Director of Sequana and its subsidiary Antalis International.

Other offices or positions currently held (Manitou Group):

- Member of the Audit Committee since 8 June 2017.

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group:

- Chief Executive of the French Institute of Administrators since 2 January 2018 (company not listed)
- Director, member of the Accounts Committee, member of the Appointments and Compensation Committee of Antalis International since 6 June 2017 (listed company)
- Director, member of the Strategic Committee, member of the Accounts Committee of Sequana since 12 May 2016 (listed company)

Other offices in companies independent of the group that expired during the last five years:

- Strategy Director for the Fnac Darty group until 22 May 2017
- Director of KESA France until 25 July 2017
- CEO of Ménafinance SA until 25 July 2017
- Director of Menafinance SA until 25 July 2017
- General Manager for Mistergooddeal until 30 April 2016
- Director of Mistergooddeal until 2 October 2015
- CEO of Mistergooddeal until 2 October 2015

CHRISTOPHER HIMSWORTH

MEMBER OF THE BOARD OF DIRECTORS – DIRECTOR SINCE DECEMBER 2009. RE-ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 07 June 1971

Business address: Avenue de Floréal 156, B-1180 Uccle - Belgium

Professional experience and expertise:

Christopher Himsworth has a Marketing Degree from Newcastle Polytechnic (Newcastle upon Tyne, UK - 1990), a European Management Teaching Certificate - ECE - from the European Business School in Bordeaux (1993) and a Degree in Advanced Studies in International Business from Salford University (UK - 1994).

Other offices or positions currently held (Manitou Group):

- Member of the Compensation Committee since June 2017
- Member of the Strategic Committee since June 2017.
- Member of the Development Committee since June 2017.
- Alternate Member of the Audit Committee since June 2017.

Offices expired during the last five years (Manitou Group):

- Member of the Compensation Committee until June 2017.
- Alternate Member of the Strategic Committee until June 2017.

Other offices in companies independent of the group (companies not listed):

- Managing Director of Trinity group SPRL since 13/10/2011
- Deputy Director of Choose and Work since 2016

Other offices in companies independent of the group that expired during the last five years:

- None

GORDON HIMSWORTH

MEMBER OF THE BOARD OF DIRECTORS – DIRECTOR SINCE 1998. RE-ELECTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: British

Born on: 04 September 1938

Business address: Manitou BF 430 Rue de l'Aubinière - BP 10249 - 44158 Ancenis Cedex France

Professional experience and expertise:

Former CEO of Braud SA, Director of Manitou Finance Ltd (UK), Graduate of the School of Management (UK)

Other offices or positions currently held (Manitou Group):

- Member of the Strategic Committee since 8 June 2017
- Member of the Audit Committee since 8 June 2017
- Member of the Development Committee since 8 June 2017
- Director of Manitou Finance Ltd since June 1999

Offices expired during the last five years (Manitou Group):

- Alternate Member of the Development Committee until 8 June 2017
- Member of the Strategic Committee until 8 June 2017

Other offices in companies related to the group that expired during the last five years:

- None

Other offices in companies independent of the group (companies not listed):

- Manager of Menskin SARL (France) since 8 October 2012
- Manager of the civil-law real-estate partnership (SCI) "6 rue Poupard Davyl", Ancenis (France), since 2000

Other offices in companies independent of the group that expired during the last five years:

- CEO of SAEMIA SA (France) from 1990 to 2014 (company not listed)

CAROLE LAJOUS

MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR. APPOINTED IN JUNE 2017 FOR A TERM OF FOUR YEARS

Nationality: French

Born on: 30 December 1964

Business address: FIPEC - 42 Avenue Marceau - 75008 Paris

Experience and management expertise

After 17 years in financial management with the global leader of the paper industry, Carole Lajous took over as Chairman of Polyrey, one of its subsidiaries, to restructure it and manage its sale to the US conglomerate Illinois Tool Work.

She then joined the world of chemistry as Vice-President Chief Administration Officer and Global HR Director for the global nutrition and health division of Cognis (a leading manufacturer of active chemical ingredients for detergents, cosmetics and nutrition).

Carole Lajous then managed Cognis France at the time of its merger into the BASF group. She then took executive management of the BASF Coatings France division, another BASF group division with sales of €300 million, 70% of which was generated internationally.

From September 2016 to December 2017, Carole Lajous managed the supplies, services and solutions business line for the Quadran - Energies Libres group, and conducted a major acquisition in this rapidly growing sector.

She then joined the Paint, Ink and Adhesives Industry Federation in January 2018 as Chief Executive.

A director certified under the programme organised jointly by the French Institute of Directors and the Paris Institute of Political Studies in 2013, holder of an MBA from the HEC international business school, she also has also held the office of independent director in the Roquette family group (a major player in the processing of raw vegetable materials for industry and agrifeed) since December 2014.

She is also a unpaid director of a humanitarian association involved in the protection of children.

Other offices or positions currently held (Manitou Group):

- Member of the Compensation Committee since 8 June 2017
- Alternate Member of the Strategic Committee since 8 June 2017.

Other offices in companies independent of the group:

- Chief Executive of FIPEC since October 2017 (company not listed)

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group that expired during the last five years:

- CEO of BASF Coatings France from 2010 to June 2016 (listed company)
- CEO of Energies Libres - Quadran from August 2016 to January 2018 (company not listed)
- Independent director of the Roquette group from December 2014 to May 2018 (company not listed)

STEPHANE RENAUD
MEMBER OF THE BOARD OF DIRECTORS AS AN EMPLOYEE DIRECTOR SINCE 10 SEPTEMBER 2018 FOR A TERM OF THREE YEARS

Nationality: French

Born on: 18 August 1962

Business address: Manitou BF - 430 Rue de l'Aubinière - BP 10249 - 44150 Ancenis Cedex

Professional experience and expertise:

With a certificate of vocational proficiency in maintenance mechanics, Stéphane Renaud joined the group in 1979, first in Production and then in the Methods department. Representative of the Establishment Committee on the Board of Directors from June 2003 to September 2018. Treasurer of the Establishment Committee from June 2007 to September 2018.

Other offices or positions currently held (Manitou Group):

- Methods Technician since 1979

Offices expired during the last five years (Manitou Group):

- Treasurer of the Establishment Committee from June 2007 to September 2018
- Representative of the Establishment Committee on the Board of Directors from June 2003 to December 2018

Other offices in companies independent of the group

- None

Other offices in companies independent of the group that expired during the last five years:

- None

PIERRE-HENRI RICAUD
MEMBER OF THE BOARD OF DIRECTORS AS AN INDEPENDENT DIRECTOR SINCE DECEMBER 2009. RE-ELECTED IN JUNE 2017 FOR A TERM OF TWO YEARS

Nationality: French

Born on: 25 March 1955

Business address: 5 Place des Ternes - F-75016 Paris

Experience and management expertise

Graduate of the Paris Ecole Polytechnique (1974), Corps des Mines Engineer (1980), Director of the Matra Space Programme (1984-1988), Director of the Matra Defence Programme (1988-1992), Strategy Director for Lagardère group (1992-1996), Strategy Director for MBDA (1996-1999), Corporate Secretary for EADS (2000-2003), Mergers and Acquisitions Director for EADS (2003-2006), Founder, Manager then President of the consultancy firm Pragma (since 2007).

In this context, the following skills have been developed and implemented: financial, legal (contracts and governance), technical and industrial.

Other offices or positions currently held (Manitou Group):

- Chairman of the Audit Committee since 8 June 2017.
- Alternate Member of the Compensation Committee since 8 June 2017

Offices expired during the last five years (Manitou Group):

- Member of the Audit Committee from June 2013 until 8 June 2017
- Alternate Member of the Compensation Committee from June 2013 until 8 June 2017

Other offices in companies independent of the group (companies not listed):

- President of the simplified limited-liability financial and strategic consulting firm Pragma since February 2013

Other offices in companies independent of the group that expired during the last five years (companies not listed):

- Member of the Supervisory Board of Recaero SA from 29 June 2015 to 15 December 2017
- Censor of Recaero SA from 2013 until 29 November 2014

DECLARATION REGARDING THE SITUATION OF THE MEMBERS OF THE BOARD

The members of the Board of Directors and the Executive Management have declared that over the last 5 years and on the day this document is established, they:

- had not been convicted of fraud;
- had not been associated, in the capacity of executive or director, in a bankruptcy, receivership or liquidation;
- had not been prevented by a court from acting in their capacity as members of an administrative, management or monitoring body or from intervening in a management or executive capacity in the activities of a listed company;
- had not been the subject of criminal charges or official public sanctions determined by statutory or regulatory authorities.

CONFLICTS OF INTEREST IN THE GOVERNING BODIES AND THE EXECUTIVE MANAGEMENT

To the best knowledge of the company, on the day on which this document is drawn up and with the exception of the information given below, no conflicts of interest have been identified between the duties of any members of the Board of Directors, or of the company's Executive Management in their capacity as corporate officers, and their private interests or other duties.

With the exception of the Shareholder Agreement referred to in paragraph 5.4.7.1, there is:

- no other arrangement or agreement concluded with the principal shareholders, clients or suppliers under which any member of the Board of Directors or executive management has been selected in this capacity;
- no restriction accepted by the members of the Board of Directors or executive management in relation to the disposal of their holdings in the company's capital.

All related-party agreements are the subject of a special report by the Statutory Auditors given in section 6.4.2 of this document. Some of the non-independent Board members have performed executive or senior management functions within Manitou and other structures.

In accordance with the internal regulation of the Board, the directors must notify the Board of any conflicts of interest concerning them, with the company or one of its subsidiaries, and then abstain from the associated deliberations.

In the event a situation suggests or could suggest that there is a conflict between the company's interest and his or her direct or indirect personal interest or the interest of the shareholder or the group of shareholders that he or she represents, the director in question must:

- notify the Board as soon as he or she becomes aware of it;
- and draw any conclusions from it as regards exercise of the term of office. Thus, as appropriate, the director should:
  - either abstain from the vote of the corresponding deliberation,
  - or not attend the meetings of the Board of Directors during the period in which the conflict of interests exists,
  - or resign from his or her position as a director.

FAMILY LINKS

It is specified that:

- Gordon Himsworth is the spouse of Jacqueline Himsworth;
- Marcel-Claude Braud, Sébastien Braud and Emilie Braud are siblings and the nieces and nephews of Jacqueline and Gordon Himsworth; and
- Christopher Himsworth is the son of Jacqueline and Gordon Himsworth.

TERM AND EXPIRY DATE FOR TERMS OF OFFICE

The terms of office as Directors of Jacqueline Himsworth, Gordon Himsworth, Marcel-Claude Braud, Sébastien Braud, Christopher Himsworth, Emilie Braud, Carole Lajous and Cécile Helme-Guizon are four years from the Annual General Meeting of 8 June 2017 until the 2021 Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2020. The terms of office as Directors of Dominique Bamas and Pierre-Henri Ricaud are two years from the Annual General Meeting on 8 June 2017 to the 2019 Annual General Meeting convened to approve the financial statements for the financial year ending 31 December 2018. Some Directors have been appointed for a shorter term so that the offices can be staggered in accordance with Recommendation R9 of the Middlenext Code.

The term of office as Director of Stéphane Renaud, an employee director, is 3 years from 10 September 2018, in accordance with the provisions of Article 12 bis of the company's Articles of Association.

The terms of office of the following members of the Board of Directors will expire at the end of the Annual General Meeting of shareholders to be held in 2019 to approve the accounts for the financial year ending on 31 December 2018: Pierre-Henri Ricaud and Dominique Bamas.

The terms of office of the following members of the Board of Directors will expire at the end of the Annual General Meeting of shareholders to be held in 2021 to approve the financial statements for the period ending 31 December 2020: Jacqueline Himsworth, Gordon Himsworth, Marcel-Claude Braud, Sébastien Braud, Christopher Himsworth, Emilie Braud, Carole Lajous and Cécile Helme-Guizon.

The term of office of Stéphane Renaud will expire on 9 September 2021.

SERVICE CONTRACTS AND GRANT OF SPECIAL ADVANTAGES

On the date on which this document is drawn up and to the knowledge of the company, there are no service contracts linking members of the governing or management bodies to the issuer or to any of its subsidiaries and granting any special advantages under the terms thereof.

It should also be noted that Sébastien Braud is the President of Actiman Equipements et Services, which has a dealer agreement with the company.

INDEPENDENCE OF BOARD MEMBERS

The group adheres to the Middlenext Code of Corporate Governance. The independence of Board members is assessed in accordance with the criteria laid down in this governance code. On the date of publication, four members of the Board meet the criteria for independence.

These were assessed on the basis of article R8 of the Middlenext Code and are mainly characterised by the absence of a material financial, contractual or family relationship likely to compromise the independence of their judgement.

The criteria used to assume the independence of the members of the Board of Directors are as follows:

1. not have been, over the last five years, and not be an employee or an officer of the company or of a company in the group (criterion no. 1 in the table below),
2. not have been, over the last two years, and not be in a significant business relationship with the company or its group (customer, supplier, competitor, service provider, creditor, banker, etc., criterion no. 2 in the table below),
3. not be a leading shareholder of the company or hold a significant percentage of the voting rights (criterion no. 3 in the table below),
4. not have a close relationship or close family ties with a corporate officer or a leading shareholder (criterion no. 4 in the table below),
5. not have been, over the last six years, the statutory auditor of the company (criterion no. 5 in the table below).

Four members of the Board of Directors are independent as concluded by the assessment made according to the R3 recommendation of the Middlenext code.

INDEPENDENT DIRECTORS

CRITERIA / MEMBERS	1	2	3	4	5	CONCLUSION
Dominique Bamas	*	X	X	X	X	Independent
Pierre-Henri Ricaud	X	X	X	X	X	Independent
Carole Lajous	X	X	X	X	X	Independent
Cécile Helme-Guizon	X	X	X	X	X	Independent

** Dominique Bamas' situation was studied carefully: the Board noted that Dominique Bamas was President and CEO of the company from March to December 2013: these functions were performed in order to ensure managerial continuity consistent with the group's ambitions. Familiar with the group for many years and a trusted adviser, Dominique Bamas worked to ensure the managerial transition until the arrival of Michel Denis in January 2014. It was decided that this situation, which lasted a few months, was not likely to affect the independence of Dominique Bamas' judgement.*

THE DIVERSITY POLICY AND FAIR REPRESENTATION OF MEN AND WOMEN ON THE BOARD

The Board of Directors comprises 4 women out of its 10 members (excluding the director representing the employees), a proportion of men and women that complies with legislative obligations and thus applies the principle of fair representation of men and women on the Board of Directors. The proportion of women is 40%.

The Board has one foreign member (Gordon Himsworth is British) and several members of the Board have international experience as a result of professional training or experience.

ASSESSMENT OF THE BOARD OF DIRECTORS AND SPECIALISED COMMITTEES

The Board performed an internal assessment of its operation at the beginning of 2018. Each Board Member presented his or her assessment using a questionnaire based on the Middlenext Code of Governance, and in particular:

- assessed the operating conditions and the composition and organisation of the Board and its committees;
- checked that the important issues are correctly discussed and prepared, particularly with regard to access to information by the directors;
- assessed the actual role of the Board in the exercise of its missions (definition or approval of the strategy, control, authorisations, etc.);
- analysed the reasons for any malfunctions perceived by the Chairman, the Board Members or the shareholders;
- discussed the independence of the independent directors.

The evaluation covered the operation of the Board and its committees in terms of their preparation, proceedings and follow-up, the objective being to monitor the points for improvement identified in January 2017. These contributions were analysed and summarised by an independent director. Various exchanges during the Board meeting on 6 March 2018 led to an action plan being proposed and those points applying to the Board were unanimously approved by the Board of Directors and the group's Executive Management.

These contributions were analysed and summarised by an independent Board member, identifying strengths and weaknesses, as well as areas for improvement.

5.1.3. EXECUTIVE MANAGEMENT

The company's executive management is undertaken by the Chief Executive Officer (CEO), a position established under the company's articles of association and the powers of which are set out in the internal regulation of the Board of Directors.

The internal regulation of the Board of Directors states that the CEO is responsible for implementation of the group strategy, the medium-term objectives of which are set out in the strategic plan approved by the Board of Directors. The CEO proposes an annual budget for the next year, established on the basis of the strategic plan.

Furthermore, the internal regulation lists a certain number of transactions for which the President and CEO must obtain prior authorisation from the Board, particularly for performing the following transactions, for the company or its subsidiaries, likely to significantly affect the financial and/or legal and/or social structure, the scope of activity, the strategy, and more generally the future: merger or acquisition transactions, sale of subsidiaries; licence agreements that have or will have a significant impact on the profitability and the liquidity of the company or the group; the granting of approvals, securities or guarantees exceeding the annual ceiling agreed by the Board; collateralisation guaranteeing the company's commitments beyond the annual ceiling agreed by the Board, investments not anticipated in the budget above a certain threshold; investments anticipated in the budget and above a certain threshold; the taking out of loans or leases above a certain threshold; appointment and dismissal of the corporate officers and directors of the company's subsidiaries.

The CEO may not combine an employment contract with a corporate office and all the components forming part of the CEO's fixed and variable compensation, including severance payments, pension scheme and allocation of stock options, are set out in chapter 5.3. All these components are in line with good governance principles in accordance with Recommendations R13 to R19 of the Middlenext Code.

MICHEL DENIS
CHIEF EXECUTIVE OFFICER OF THE MANITOU GROUP SINCE 13 JANUARY 2014

Nationality: French

Born on: 17 May 1965

Business address: 430 Rue de l'Aubinière - BP 10249 - F-44158 Ancenis Cedex

Experience and management expertise

A graduate from the ESSEC business school and the Ecole Centrale research university in Lyons, he began his career in strategic consulting. He joined Dalkia in 1994 to develop cogeneration. He subsequently managed the French business activities of MC International, which later became Johnson Controls, a specialist in industrial and commercial refrigeration. In 2003, he joined the Fraikin group, the European leader in truck rentals, serving as Chief Executive Officer until August 2013. In those 10 years, he supported the strong international development of the Fraikin group, which established its approach to industrial vehicle design, associated services and the European financing of its fleet of 60,000 vehicles as a model.

Other offices currently held (Manitou Group):

- Director of Manitou Americas (USA)
- Director of Manitou Finance Ltd (UK)
- Chairman of the board of Directors of Manitou Italia (Italy)
- President of Cobra MS (France)
- Vice-Chairman of HMME (China)
- Director of Manitou Brasil (Brazil)
- Manitou BF representative, President of LMH Solutions (France)
- Manitou BF representative, President of Manitou Global Services (France)
- Administrador solidario de Manitou Manutencion Espana (Spain)
- President of Manitou Portugal (Portugal)
- Director of Manitou Equipment India Private Ltd (India)

Offices expired during the last five years (Manitou Group):

- None

Other offices in companies independent of the group:

- Director of Audencia since 29 December 2017
- Director of MEDEF 44 since 28 April 2016
- Member of the Board of Directors of CISMA since 26 June 2015
- Member of the Board of Directors of GICAT since June 2015
- Manager of GLGM Conseil EURL since 2013 (company not listed)
- Manager of Gamagule SARL since 2006 (company not listed)
- Adviser of the Banque de France since 9 March 2016

Other offices in companies independent of the group that expired during the last five years:

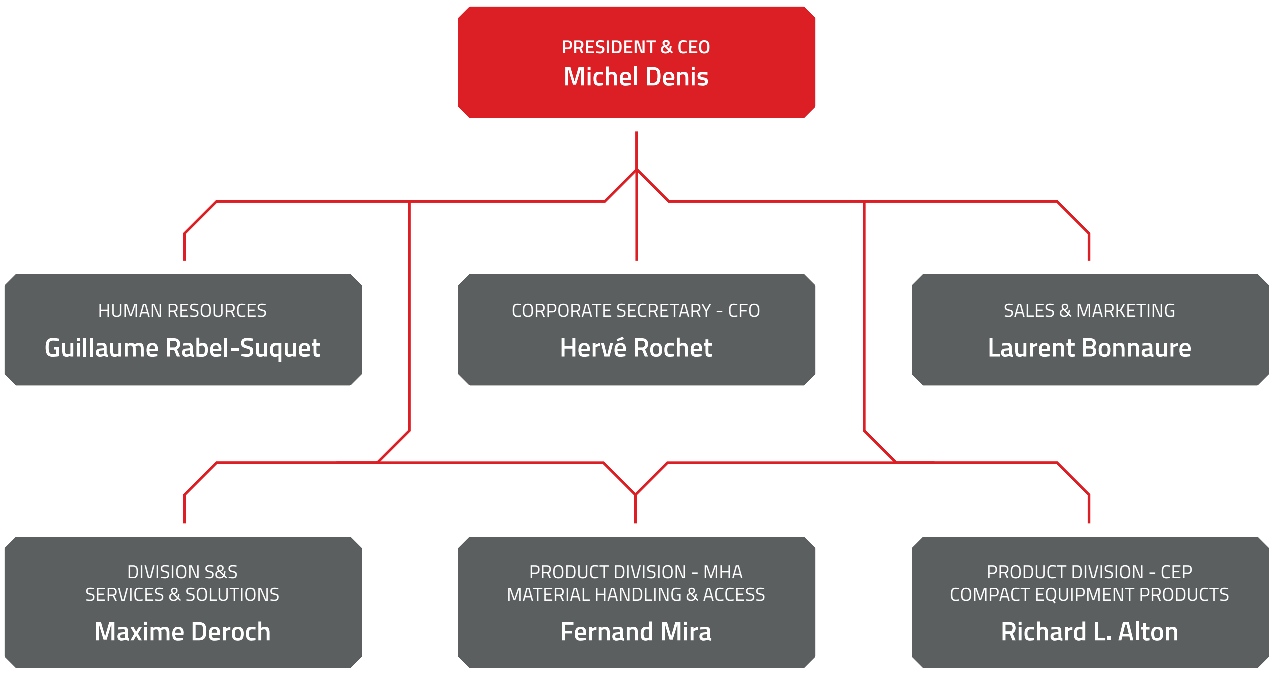
- None

5.2. EXECUTIVE BODIES

COMPOSITION OF THE THE GROUP'S EXECUTIVE COMMITTEE (7 MEMBERS)

It is made up of seven members: the CEO, the Executive Vice President Human Resources, the Corporate Secretary, the Executive Vice President Sales & Marketing, the President of the Services & Solutions division, the President of the Material Handling & Access division and the President of the Compact Equipment Products division. The Executive Committee generally meets once a week and several times a year for seminars.

GROUP ORGANISATION CHART AT 06 MARCH 2019



CHANGES TO THE EXECUTIVE COMMITTEE

There were no changes to the Executive Committee in 2018.

DIVERSITY POLICY WITHIN THE EXECUTIVE COMMITTEE

In accordance with the law of 5 September 2018, the company seeks fair representation of men and women on the Executive Committee. Thus, each year, the Board discusses the company's professional equality and fair pay policy. In 2018, it reviewed the 2015-2018 action plan (the 1st corporate agreement on the subject, put in place in accordance with Article L.1143-1 of the Labour Code), as well as a statement of achievements to date. Amongst the measures of this action plan, it was anticipated in particular to encourage access by women to managerial posts and to support exercise of the managerial role of women through access to training and mentoring. The Executive Committee also made a commitment to systematically request applications by women and applications by men when renewing or creating positions within the teams of the Executive Committee and the management committees. There have been no renewals of members of the Executive Committee since 5 September 2018. Furthermore, of the high-level positions, 14% are held by women.

5.3. COMPENSATION PAID TO THE ADMINISTRATIVE AND EXECUTIVE BODIES

5.3.1. COMPENSATION OF EXECUTIVE OFFICERS

INFORMATION ON THE COMPENSATION OF CORPORATE OFFICERS

In accordance with the provisions of article L225-37-3 of the French Commercial Code, the total compensation and benefits paid to each corporate officer in the financial year is detailed below. In accordance with the MiddleNext Code, the level of executive compensation is based on the following seven principles: comprehensiveness, balance, benchmark, consistency, readability, measurement and transparency.

TABLE 1: SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

in euros		
Jacqueline Himsworth, Chairman of the board of Directors (from 8 June 2017*)	**2017**	**2018**
Compensation due for the period (see details in table 2)	163 438	203 790
Value of options granted during the period (see details in table 4)		
Value of performance shares granted during the period (see details in table 6)		
TOTAL	**163 438**	**203 790**

** Replacing Marcel Braud.*

in euros		
Michel Denis, Chief Executive Officer	**2017**	**2018**
Compensation due for the period (see details in table 2)	846 925	1 393 647
Value of options granted during the period (see details in table 4)		
Value of performance shares granted during the period (see details in table 6)		
TOTAL	**846 925**	**1 393 647**

TABLE 2: SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

in euros	2017		2018	
Jacqueline Himsworth Chairman of the board of Directors (from 8 June 2017*)	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Compensation as Chairman of the Board of Directors (in accordance with Article L.225-47)	87 500	87 500	150 000	150 000
Attendance fees	75 938	57 938	51 000	42 000
Benefits in kind**			2 790	2 790
TOTAL	**163 438**	**145 438**	**203 790**	**194 790**

** Replacing Marcel Braud.*

*** The Chairman of the board of Directors has been provided with a company vehicle since 2018.*

in euros	2017		2018	
Michel Denis Chief Executive Officer	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Term of office (fixed compensation)	350 400	350 400	600 000	600 000
Variable compensation*	445 280	412 800	762 000	445 280
Benefits in kind**	51 245	47 745	31 647	35 146
TOTAL	**846 925**	**810 945**	**1 393 647**	**1 080 426**

** With regard to the variable compensation due for the 2018 financial year, the award criteria are based on the group's recurring operating income, market share, net debt, the profitability of the shareholder's equity and quality-related criteria. At 31 December 2018, the variable compensation due includes a provision of €372K, which will be paid in the form of phantom shares in 2019. This annual bonus is determined using a criterion relating to the earnings per share. See notes 5.3.3 and 5.3.4 of this document and note 17.2 of the appendix to the consolidated financial statements.*

*** The President and CEO is covered by unemployment insurance. In 2017, he also received a housing allowance.*

5.3.2. COMPENSATION OF EXECUTIVES AND CORPORATE OFFICERS

TABLE 3: ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY BOARD MEMBERS

Board Members		Paid in 2017 for 2016	Paid in 2017 for 2017	Paid in 2018 for 2017	Paid in 2018 for 2018
Jacqueline Himsworth*	Attendance fees - Manitou BF		57 938	18 000	24 000
	Compensation - Manitou BF		87 500		152 790
	Other compensation				
Gordon Himsworth	Attendance fees - Manitou BF	15 600	30 000	30 000	24 000
	Other compensation				
Sébastien Braud	Attendance fees - Manitou BF	15 600	30 000	30 000	24 000
	Other compensation				
Dominique Bamas	Attendance fees - Manitou BF	19 200	30 000	40 500	24 000
	Other compensation				
Christopher Himsworth	Attendance fees - Manitou BF	15 600	30 000	27 000	24 000
	Other compensation				
Pierre-Henri Ricaud	Attendance fees - Manitou BF	21 600	30 000	39 000	24 000
	Other compensation				
Marcel-Claude Braud	Attendance fees - Manitou BF	15 600	30 000	18 000	24 000
	Other compensation				
Emilie Braud	Attendance fees - Manitou BF		12 000	21 000	24 000
	Other compensation				
Carole Lajous	Attendance fees - Manitou BF		12 000	24 000	24 000
	Other compensation				
Cécile Helme-Guizon	Attendance fees - Manitou BF		12 000	21 000	24 000
	Other compensation				
Stéphane Renaud** (Director representing employees since 10 September 2018)	Attendance fees - Manitou BF			0	0
	Other compensation				
	TOTAL	**103 200**	**361 438**	**268 500**	**392 790**
	OF WHICH MANITOU BF	**103 200**	**361 438**	**268 500**	**392 790**
	OF WHICH ATTENDANCE FEES	**103 200**	**273 938**	**268 500**	**240 000**
	OF WHICH COMPENSATION		**87 500**		**152 790**

** Chairman of the board of Directors (from 8 June 2017), replacing Marcel Braud*
*** The salary paid to the director representing shareholder employees is not communicated*

TABLE 4: SHARE SUBSCRIPTIONS OR PURCHASE OPTIONS GRANTED TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY OTHER COMPANY OF THE GROUP

Options granted to each executive corporate officer by the issuer and any other group company	No. and date of plan	Type of options	Value of options using the method applied for the consolidated financial statements (IFRS2)	Number of options granted	Exercise price	Exercise period
None						

TABLE 5: SHARE SUBSCRIPTIONS OR PURCHASE OPTIONS EXERCISED IN THE FINANCIAL PERIOD BY EACH EXECUTIVE CORPORATE OFFICER

Options exercised by executive corporate officers	No. and date of plan	Number of options exercised during the financial period	Exercise price
None			

TABLE 6: PERFORMANCE SHARES GRANTED TO EACH CORPORATE OFFICER

Performance shares granted during the financial period to each executive corporate officer by the issuer and any other group company	No. and date of plan	Number of shares granted during the financial period	Value of shares using the method applied for the consolidated financial statements	Purchase date	Availability date
None					

TABLE 7: PERFORMANCE SHARES THAT BECAME AVAILABLE FOR EACH CORPORATE OFFICER

Performance shares that became available for each executive corporate officer	No. and date of plan	Number of shares that became available during the financial period	Purchase conditions
None			

Executive Corporate Officers	Employment contract		Supplementary pension plan		Indemnities or benefits due, or potentially due, as a result of termination or change of functions		Indemnity related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacqueline Himworth Chairman of the board of Directors Appointed on: 08.06.2017 Date of end of term: 2021 Annual Shareholders' meeting for the approval of the financial statements as of 31.12.2020		X		X		X		X
Michel Denis President and Chief Executive Officer Appointed on: 13.01.2014, re-elected on 5 December 2017 Date of end of term: until the Annual Shareholders' meeting for the approval of the financial statements as of 31.12.2022		X		X	X*		X**	

** A severance payment may be paid to the CEO if his office is terminated before its due term or if it is not renewed, except where this termination or non-renewal are a result of serious misconduct. For the amount of the severance payment, see note 5.3.3.*

*** The President and CEO has a duty to respect the non-compete obligation for a period of twelve months from the end of his term of office, see note 5.3.3.*

5.3.3. COMPENSATION POLICY (SUBJECT TO AN EX-ANTE VOTE BY THE SHAREHOLDER'S MEETING)

Under article L.225-37-2 of the Code of Commerce, the principles and criteria for determining, allocating and awarding the components making up the total compensation and benefits to be provided to the CEO and the Chairman of the board of Directors must be the subject of a motion put to the Annual General Meeting of the company's shareholders.

With regard to determination of the total compensation of executive corporate officers, the Board of Directors, on proposal by the Compensation Committee, took into account the following principles, in accordance with Recommendation R13 of the MiddleNext Code of Corporate Governance of September 2016:

- Exhaustive: the determination of corporate officers' compensation must be exhaustive: fixed component, variable component (bonus), stock options, bonus shares, attendance fees, pension terms and specific benefits must be taken into account in assessing overall compensation.
- Balanced between the various components of the compensation: each component of the compensation must be justified and correspond to the general interest of the company.
- Benchmarked: compensation must be assessed, to the extent possible, in relation to a reference profession and market, and must be in proportion to the situation of the company, while taking into account any inflationary effects.
- Consistent: the manager's compensation must be set in a manner that is consistent with that of the company's other managers and employees.
- Clear rules: the rules must be simple and transparent; the performance criteria used for the variable component of compensation or for allocating any options or bonus shares must be linked to the performance of the company, correspond to its objectives, be demanding, explainable and, to the extent possible, sustainable. They must be set out in detail, without, however, undermining confidentiality, which may be justified as regards certain elements.
- Measured: the compensation and allocation of options or bonus shares should find the right balance and take account of the general interest of the company, market practices and manager performance.
- Transparent: annual information disclosure to shareholders on the compensation of the managers must be made in accordance with the applicable regulations.

PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND GRANTING THE ELEMENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY KIND GRANTED TO THE CHIEF EXECUTIVE OFFICER

The principles and criteria set by the Board of Directors, on recommendation of the Compensation Committee, are the following:

FIXED COMPENSATION

The President & CEO receives for his duties a fixed compensation that is determined on recommendation of the Compensation Committee and takes particular account of market practices. It was set by the Board of Directors at its meeting on 5 December 2017 and the Board reserves the option of reviewing the amount, subject to the opinion of the Compensation Committee.

VARIABLE ANNUAL COMPENSATION

The President & CEO may receive a variable annual compensation for his duties consisting of the following components:

- A performance-related bonus, for which the criteria for determination are based on factors linked to the financial performance objectives (recurring operating income). The details and level of performance expected for the quantitative criteria are predetermined and defined precisely by the Board of Directors on proposal by the Compensation Committee but are not made public for reasons of confidentiality. The maximum amount of the financial bonus that may be paid to the CEO corresponds to 30% of the fixed component of the compensation paid to the CEO for the financial period concerned, namely €182 700 for the 2019 financial year.
- A multiple-criteria bonus, for which the criteria for determination are based on factors linked to the financial and commercial performance of the group. These quantitative and qualitative criteria are predetermined and defined precisely by the Board of Directors on proposal by the Compensation Committee. The quantitative criteria are the changes in market share, the operating income, the net debt and the ROCE. The qualitative criteria are not made public for reasons of confidentiality. The maximum amount of the multiple-criteria bonus that may be paid to the CEO is set by the Board of Directors and corresponds to 35% of the fixed compensation paid to the CEO for the financial period in question, namely €213 150 for 2019.

OTHER BENEFITS OF ANY KIND

- The CEO is paid the cost of transport between Angers/Nantes and his home address.
- The company has taken out an unemployment policy with the Association for Social Insurance for Company Managers and Executives in favour of the CEO.
- Retirement: the CEO is covered by the same pension and healthcare schemes as the company's executives.
- Car: the company covers the costs of a vehicle for the CEO.

EXCEPTIONAL COMPENSATION

The Board of Directors reserves the option, on proposal by the Compensation Committee, to grant the President & CEO exceptional compensation under very specific circumstances. The payment of this type of compensation must be justified by an event such as, for example, the realisation of a major transaction for the company.

THE ALLOCATION OF STOCK OPTIONS, BONUS SHARES OR FINANCIAL INSTRUMENTS

The establishment of this arrangement is in accordance with the market recommendations linked to this type of instrument and in accordance with redetermined performance criteria.

The Board of Directors, on proposal by the Compensation Committee, has put in place for the benefit of the President and CEO a Phantom Shares plan (a mechanism for the allocation of the value of shares based on the annual performance of the net result per share) under which the CEO may be paid an annual premium, the amount of which is determined in accordance with the conditions for allocation established by the Board of Directors. The number of Phantom Shares allocated to the CEO is determined on the basis of a criterion relating to the profit per share and paid in two tranches provided the predetermined objectives set by the Board of Directors are reached. The maximum number of Phantom Shares that can be allocated to the CEO is limited to 15 500 per period.

The payment of the variable components of the compensation and any exceptional compensation awarded for the 2018 financial year are subject to approval by the Annual General Meeting of the components of the CEO's compensation paid or awarded for that financial year under the conditions laid down in article L225-100 (ex-post vote).

COMMITMENTS TO THE PRESIDENT & CEO BASED ON ARTICLE L.225-42-1 OF THE CODE OF COMMERCE

SEVERANCE PAYMENTS

A severance payment may be paid to the CEO if his office is terminated before its due term or if it is not renewed, except where this termination or non-renewal are a result of serious misconduct.

The amount of the severance payment corresponds to 150% of the fixed annual compensation and variable compensation that is actually due for the previous financial year during which the termination or non-renewal took place, if the office is terminated between 14 June 2018 and 31 December 2019. It is 200% if the office is terminated between 1 January 2020 and the end of the term of office, provided that the performance criterion triggering the payment of this indemnity is met. This criterion is met if the CEO has been paid, for all the financial years from 2014 until the year preceding the financial year in which the term of office expires, an arithmetical average of at least 35% of the maximum potential amounts of his variable compensation.

NON-COMPETITION CLAUSE

The CEO is required to abide by a non-competition clause for a period of twelve months following the end of his term of office. In return for this, the CEO receive a monthly indemnity for a period of one year from the actual date of termination of his office. This indemnity is equal to half of the fixed monthly compensation paid in the last month preceding the termination of his office.

The company reserves the option of abandoning the non-competition clause in writing before the CEO's office terminates or within fifteen days of his departure. This will discharge the company from payment of the above indemnity.

THE PRINCIPLES AND CRITERIA FOR DETERMINING, ALLOCATING AND AWARDING THE COMPONENTS MAKING UP THE TOTAL COMPENSATION AND BENEFITS TO BE PROVIDED TO THE CHAIR

The following principles and criteria have been set by the Board of Directors:

- Attendance fees
- Fixed annual compensation
- Company vehicle

The Chairman receives for his or her duties a fixed compensation and attendance fees based on criteria that take particular account of his attendance of various committee meetings.

There are no plans for the Chairman of the board of Directors to receive variable annual compensation, deferred variable compensation, pluri-annual variable compensation or exceptional compensation.

5.3.4. PAYMENT OF THE COMPENSATION COMPONENTS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING (EX-POST VOTE)

COMPONENTS OF THE COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED TO THE PRESIDENT & CEO FOR THE 2018 FINANCIAL YEAR

The fixed, variable or exceptional components of the total compensation and benefits of any kind paid or allocated to Mr Michel Denis for the 2018 financial year for his office as President & CEO will be subject to a vote by the Annual General Meeting convened to approved the financial statements for the year ended 31 December 2018.

The 2018 compensation policy was approved by the Annual General Meeting on 14 June 2018.

TABLE RELATING TO MR MICHEL DENIS

Compensation components paid or allocated for the financial year just ended	Amounts or accounting value subject to a vote	Presentation
Fixed compensation	€600 000	Amount paid
Variable annual compensation	€180 000	"Operating income" bonus, based on the group's operating income being achieved 100%
	€166 799	"Multiple-criteria" bonus fixed on the basis of the financial and commercial performance criteria being met by 79.43%
"Phantom Shares" variable compensation	€401 915	Bonus based on the result per share of the group achieved at 100%
Exceptional compensation	€44 000	See below *
Components of compensation relating to the termination or change of office, pension commitments and non-compete covenants	None	None
Components of compensation and benefits of any kind relating to agreements concluded, in relation to the office, with the company, any company it controls, any company it is controlled by or any company under the same control.	None	None
Any other component of compensation awarded in relation to the office	None	None
Benefits of any kind	€31 647 accounting value	Unemployment insurance and car

* This exceptional bonus is justified for the purpose of the many highly successful actions relating to technological and ecological innovations. Awarded a large number of prizes throughout Europe (see note 1.2 of this document), these innovations enable the group to enhance its image and leadership while guaranteeing solid foundations for tomorrow's drivers of growth

COMPONENTS OF COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED TO THE CHAIRMAN FOR THE 2018 FINANCIAL YEAR

The fixed, variable or exceptional components of the total compensation and benefits of any kind paid or allocated to Ms Jacqueline Himsworth for the 2017 financial year for her office as Chairman will be subject to a vote by the Annual General Meeting convened to approved the financial statements for the year ended 31 December 2018.

TABLE RELATING TO MS JACQUELINE HIMSWORTH

Compensation components paid or allocated for the financial year just ended	Amounts or accounting value subject to a vote	Presentation
Fixed compensation	€150 000	Amount paid
Attendance fees	€42 000	None
Benefits of any kind	2 790	Car

5.4. INFORMATION ON THE SHARE CAPITAL

5.4.1. SHARE CAPITAL

At 31 December 2018, the share capital amounted to €39 668 399, equating to 39 668 399 shares with a par value of €1 per share, all of which were fully paid-up and of the same class.

In the absence of double voting rights, this number of shares corresponds to the theoretical voting rights. The difference between the number of theoretical and real voting rights corresponds to the number of treasury shares.

5.4.2. CHANGES IN SHARE CAPITAL

Following an exercise of stock options in 2018, the share capital increased by €46 801 and therefore rose from €39 621 598 to €39 668 399.

5.4.3. CHANGES IN DISTRIBUTION OF THE SHARE CAPITAL - THRESHOLD CROSSING

French simplified company limited by shares Lazard Frères Gestion (25 rue de Courcelles, F-75008 Paris), acting on behalf of the fund it manages, declared that it had fallen below the 5% threshold for capital and voting rights in Manitou BF on 2 February 2018, and that it held, on behalf of the fund, 1 918 700 Manitou BF shares representing the same number of voting rights, i.e. 4.84% of the capital and voting rights in the company. It had fallen below the threshold as a result of selling Manitou BF shares on the market.

5.4.4. SUMMARY OF THE DELEGATIONS OF AUTHORITY TO INCREASE THE SHARE CAPITAL GRANTED BY THE ANNUAL GENERAL MEETING

Nature of delegation or authorisation	Date of AGM	Expiry date	Amount authorised	Use	Residual amount at 31 December 2018
Delegation with a view to increasing share capital by incorporating reserves, profits or premiums	14.06.2018	13.08.2020	€8 million	None	€8 million
Delegation with a view to issuing ordinary shares and/or securities with maintenance of the PSR*	14.06.2018	13.08.2020	€8 million (Capital increase) **	None	€8 million (Capital increase) **
Delegation with a view to issuing ordinary shares and/or securities with elimination of the PSR by public offer	14.06.2018	13.08.2020	€8 million (Capital increase) **	None	€8 million (Capital increase) **
Delegation with a view to issuing ordinary shares and/or securities with elimination of the PSR by private placement	14.06.2018	13.08.2020	€8 million / 20% of share capital (Capital increase) **	None	€8 million / 20% of share capital (Capital increase) **
Delegation with a view to increasing share capital by a contribution of shares or securities	14.06.2018	13.08.2020	Limit 10% **	None	Limit 10% **
Authorisation to award free shares	14.06.2018	13.08.2020	2% of share capital on day of BoD	None	2% of share capital on day of BoD

** Preferential Subscription Right* *** Common ceiling*

5.4.5. BREAKDOWN OF THE SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2018

	Theoretical % of share capital and voting rights			Actual % of voting rights		
	2016	2017	2018	2016	2017	2018
BRAUD AND HIMSWORTH FAMILIES	**64.8%**	**64.4%**	**64.4%**	**67.2%**	**66.8%**	**66.7%**
BRAUD FAMILY BRANCH[1]	**32.2%**	**32.1%**	**32.1%**	**33.4%**	**33.3%**	**33.2%**
HB Braud	22.1%	22.1%	22.0%	22.9%	22.9%	22.8%
Other	10.1%	10.0%	10.0%	10.5%	10.4%	10.4%
HIMSWORTH FAMILY BRANCH[2]	**32.6%**	**32.3%**	**32.3%**	**33.9%**	**33.5%**	**33.5%**
Ancemat [3]	6.5%	6.5%	6.5%	6.8%	6.8%	6.8%
Wecanrent [3]	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%
Coliphin Invest [3]	5.4%	5.4%	5.4%	5.6%	5.6%	5.6%
Trinity Group [3]	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%
Sonafina [3]	5.2%	5.2%	5.2%	5.4%	5.4%	5.4%
Other	5.2%	4.9%	4.8%	5.4%	5.0%	5.0%
YANMAR	**6.3%**	**6.2%**	**6.2%**	**6.5%**	**6.5%**	**6.5%**
TREASURY SHARES	**3.6%**	**3.6%**	**3.5%**			**-**
EMPLOYEE SHARE OWNERSHIP	**0.7%**	**0.5%**	**0.6%**	**0.7%**	**0.6%**	**0.6%**
FLOATING	**24.7%**	**25.2%**	**25.3%**	**25.6%**	**26.2%**	**26.2%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

[1] The Braud family branch consists of: Marcel Braud, Liliane Braud-Orhon, Marcel-Claude Braud, Sébastien Braud, Emilie Braud, Valérie Braud-Walsh and the company HB Holding Braud.

[2] The Himsworth family branch consists of: Jacqueline Himsworth, Gordon Himsworth, Dominique Himsworth , Virginie Himsworth, Christopher Himsworth, David Himsworth and the company Ancemat.

[3] Companies owned by Himsworth family members.

5.4.6. HOLDINGS AND CONTROL

Manitou is controlled by the Braud and Himsworth families, who together hold 64.4% of the share capital, 59.2% of which is jointly held. On the date of publication, Manitou's Board of Directors included four independent directors, as defined by the Middlenext Corporate Governance Code, out of a total of eleven directors (including the director representing the employees). The position of CEO is separate from the office of Chairman of the board of Directors and has been held by Michel Denis, who is independent of the Braud and Himsworth families, since 13 January 2014 (and renewed on 5 December 2017).

5.4.7. INFORMATION RELATING TO THE SHAREHOLDER AGREEMENTS AND COLLECTIVE COMMITMENTS TO RETAIN MANITOU SHARES

5.4.7.1. SHAREHOLDER AGREEMENT

On 3 May 2017, the family shareholders signed a shareholder agreement, which entered into force on 10 June 2017 for a term of four years. An addendum n°1 to this shareholder agreement has been signed and entered into force on 6 March 2019. The main purpose of this addendum is to:

- maintain beyond the original term four independent directors, without reducing this number to three as the pact originally anticipated. Therefore, at the Annual General Meeting to be held in 2019 ruling of the accounts for the financial year ended 31 December 2018, two directors will be appointed as independent directors for a term of four years,
- increase the majority required to more than three-quarters of the MANITOU BF Board of Directors for prior approval of transactions that are diluting in financial terms or in terms of voting rights, compared with the three-quarters majority originally put in place.

The shareholder agreement, as amended by its addendum no. 1, contains the following stipulations:

- an objective by each of the family branches to retain a number of Manitou shares representing at least 20% of the company's share capital (i.e. a total of 40% of the share capital for the combined family investment);
- a right of first refusal in favour of members of the agreement for sales of shares that would reduce the investment of either family branch to less than 20% of Manitou BF's share capital, or reduce the entire investment of the two family branches to less than 40% of the company's share capital, and any subsequent sale provided these thresholds are not exceeded, on the understanding that members of the seller's family branch have priority in the purchase of the shares sold;
- Manitou will continue to be governed by three directors representing the Braud family branch, three directors representing the Himsworth family branch and four independent directors appointed jointly by the directors representing the family shareholders;
- Jacqueline Himsworth will be Manitou BF's Non-Executive Chairman throughout the duration of the agreement; and
- Any transaction that would dilute the capital and/or voting rights will be subject to prior approval by the Board of Directors of Manitou BF adopted by a three-quarters majority. It should be noted that Dominique Himsworth, who was included in the previous shareholder agreement but was not a signatory to this agreement, may join both on a personal basis and as a representative of the company Wecanrent, at any time, as a member of the Himsworth family branch.

Any spouse or direct descendant of any of the signatories to the shareholder agreement may join, at any time, as a member of the family branch to which they belong, on condition that they own at least 10 000 full or stripped Manitou BF shares.

COLLECTIVE COMMITMENTS

Signature date	Type of commitment	Number of shares Percentage of share capital and voting rights	Term	Shareholder signatories
28.11.2011	Collective commitment to retain shares in accordance with article 787 B of the French General Tax Code	12 719 721 shares representing 32.2% of the share capital and voting rights	Minimum term of two years from the registration of the commitment, which is renewed for two-year periods by tacit agreement	**Braud family branch***
28.11.2011	Collective commitments to retain shares in accordance with article 885 I Bis of the French General Tax Code	A total of 12 719 721 shares representing 32.2% of the share capital and voting rights	Minimum term of two years from the registration of the commitments, which are renewed for 12-month periods by tacit agreement	**Braud family branch**

** The Braud family branch consists of: Marcel Braud, Lilianne Braud-Orhon, Marcel-Claude Braud, Sebastien Braud, Emilie Braud, Valerie Braud-Walsh and the company HB Holding Braud.*

5.4.8. THE EXISTENCE OF AGREEMENTS WHOSE IMPLEMENTATION COULD RESULT IN A CHANGE OF CONTROL

None

5.4.9. OWNERSHIP THRESHOLDS

Under Article L.233-7 of the French Commercial Code, any individual or entity, acting alone or with others, who has just acquired a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30% 33.33%, 50%, 66.66%, 90% or 95% of the company's share capital and voting rights, must inform the company and the AMF (French Market Authority) by letter, indicating the total number of shares and voting rights held, within five trading days of a threshold being exceeded. The exceeding of thresholds reported to the AMF are publicly disclosed by the latter. This information is also transmitted within the same time frame and under the same conditions whenever the equity investment or voting rights fall below the thresholds referred to above. If they are not declared in accordance with the regulations, the shares exceeding the fraction that should have been declared in accordance with the statutory provisions indicated above are denied voting rights at any shareholders' meetings held within two years of the date of the amending declaration.

Article 9 of Manitou's articles of association further provides that any individual or entity that, directly or indirectly, alone or with others, goes above or below the threshold of 2.5% of the company's share capital or voting rights (or any multiple of this threshold) must notify the company by registered letter with confirmation of receipt, within fifteen days of the threshold being crossed, stating their identity and the persons acting with them. In accordance with article L. 228-1[7] of the French Commercial Code, this requirement also applies in respect of all shares registered to those shareholders.

Any failure to make such declarations where the thresholds are crossed shall result in the application of the penalties laid down in article L.233-14 of the French Commercial Code, providing that a request to that effect is made by one or more shareholders who own at least 3% of the share capital or voting rights and is recorded in the minutes of the Annual General Meeting.

5.4.10. DIVIDEND DISTRIBUTION POLICY

The Board of Directors will propose a dividend payment of €0.78 per share to the Annual General Meeting convened to approve the 2018 financial statements.

5.4.11. HISTORICAL DIVIDEND INFORMATION

In accordance with the provisions of article 243 bis of the French General Tax Code, we remind you that the dividends distributed for the three previous financial years were as follows:

Period	Number of shares	Net dividend per share
2015	39 551 949	€0.36
2016	39 617 974	€0.43
2017	39 617 974	€0.62

5.4.12. SPECIFIC SHAREHOLDER PROCEDURES FOR TAKING PART IN ANNUAL GENERAL MEETINGS

These elements are defined in Article 19 of the company's Articles of Association. Under the terms of the Articles, any shareholder is entitled to attend the Annual General Meetings under the conditions laid down by law.

A shareholder can be represented by another shareholder, by his or her spouse or by the partner with whom he or she has signed a civil solidarity pact. The shareholder may also be represented by any individual or entity of his or her choice. Appointment and termination can be notified by electronic means.

The shareholders can, under the conditions laid down by the law and regulations, send their proxy and postal voting forms concerning any Annual General Meeting, either as a hard copy, or by electronic mail.

Two members of the Works Council, appointed by this Council, one belonging to the category of technical executives and supervisors, and the other to the category of employees and workers, or, where appropriate, the persons referred to in Articles L.2323-64 and L.2323-65 of the Labour Code, can attend the Annual General Meetings.

5.4.13. INFORMATION RELATING TO ELEMENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TAKEOVER BID OR EXCHANGE OFFER

The structure of the company's share capital is indicated in Chapter 5.4.2.

There is no statutory restriction on the exercise of voting rights and on transfers of shares. The clauses of the agreements brought to the attention of the company pursuant to Article L.233-11 are indicated in Chapter 5.4.7.1.

Direct or indirect participations in the company's share capital of which it has knowledge by virtue of Articles L.233-7 and L.233-12 are indicated in Chapter 5.4.9.

Agreements between shareholders of which the company has knowledge and that may lead to restrictions on the transfer of shares and on the exercise of voting rights are primarily laid down in the Shareholder Agreement signed on 3 May 2017.

The rules applicable to the appointment and replacement of members of the Board of Directors and to amendment of the company's Articles of Association are primarily laid down in the Shareholder Agreement signed on 3 May 2017 and the Articles of Association.

The powers of the Board of Directors, in particular with regard to the issue or redemption of shares are indicated in Chapter 5.4.4.

The agreements signed by the company that are amended or come to an end in the event of a change of control of the company, unless this disclosure, except where such disclosure is required by law, would seriously damage its interests, correspond in principal to financing agreements.

The agreements providing for compensation of members of the Board of Directors or employees, if they resign or are dismissed without fair cause or if their job comes to an end as a result of a public takeover bid or exchange offer, are, primarily, those adopted with regard to the Executive and provided for in Chapter 5.3.3 (severance payments).

5.4.14. TRANSACTIONS WITH RELATED PARTIES

Transactions carried out between the group and its associates are set out in note 33.1 of the notes to the consolidated financial statements.

Transactions with individuals and compensation and other benefits granted to executives are set out in notes 33.2 and 33.3 of the notes to the consolidated financial statements.

Transactions with related parties are also outlined in the Statutory Auditors' report on regulated agreements and commitments (note 6.4.2 of the annual financial report).

6. FINANCIAL STATEMENTS

6.1. CONSOLIDATED FINANCIAL STATEMENTS

6.1.1. STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

in thousands of euros		31.12.2017*	31.12.2018
Net sales	Note 22	1 590 968	1 883 578
Cost of goods and services sold		-1 332 391	-1 569 798
Research and development costs		-20 800	-23 908
Selling, marketing and service expenses		-94 701	-105 116
Administrative expenses		-49 696	-56 152
Other operating income and expenses	Note 27	1 920	736
RECURRING OPERATING INCOME		**95 300**	**129 341**
Non-recurring operating income and expenses	Note 23	-4 966	-3 237
OPERATING INCOME		**90 334**	**126 104**
Share of profits of associates	Note 9	2 447	2 326
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES		**92 781**	**128 431**
Financial income		16 556	24 698
Financial expenses		-22 027	-30 673
FINANCIAL RESULT	**NOTE 28**	**-5 472**	**-5 974**
INCOME BEFORE TAX		**87 309**	**122 456**
Income taxes	Note 21	-27 203	-38 103
NET INCOME		**60 106**	**84 354**
Attributable to equity holders of the parent		59 955	84 109
Minority interests		151	245

EARNINGS PER SHARE (IN EUROS)

		31.12.2017*	31.12.2018
Net income attributable to the equity holders of the parent	Note 1.25	1.57	2.20
Diluted earnings per share	Note 1.25	1.57	2.20

**Consolidated financial statements presented in comparative include retrospective application of IFRS 9 (see Notes 1.2.1 and 2 to the consolidated financial statements).*

OTHER COMPONENTS OF COMPREHENSIVE INCOME AND EXPENSE

in thousands of euros	31.12.2017*	31.12.2018
INCOME (LOSS) FOR THE YEAR	60 106	**84 354**
Adjustments in the fair value of available-for-sale financial assets	60	-169
Of which booked to equity	60	-169
Of which transferred to income for the year	0	0
Translation differences arising on foreign activities	-27 273	5 297
Attributable to equity holders of the parent	-27 152	5 847
Attributable to minority interests	-121	-550
Interest rate hedging and exchange instruments	883	-459
Attributable to equity holders of the parent	883	-459
Attributable to minority interests	0	0
Items that will be reclassified to profit or loss in subsequent periods	-26 330	4 670
Actuarial gains (losses) on defined benefits plans	1 115	4 073
Attributable to equity holders of the parent	1 099	4 057
Attributable to minority interests	16	16
Items that will not be reclassified to profit or loss in subsequent periods	1 115	4 073
OTHER COMPONENTS OF COMPREHENSIVE INCOME	-25 215	8 743
COMPREHENSIVE INCOME	**34 891**	**93 097**
Attributable to equity holders of the parent	34 845	93 386
Attributable to minority interests	45	-286

THE OTHER COMPONENTS OF COMPREHENSIVE INCOME ARE REPORTED NET OF THE ASSOCIATED TAXES. THE TAX IMPACT IS AS FOLLOWS:

in thousands of euros	31.12.2017*	31.12.2018
Items that will be reclassified to profit or loss in subsequent periods	-493	297
Items that will not be reclassified to profit or loss in subsequent periods	-3 784	-449
TOTAL TAX IMPACT	**-4 277**	**-152**

*Consolidated financial statements presented in comparative include retrospective application of IFRS 9 *(see Notes 1.2.1 and 2 to the consolidated financial statements).*

6.1.2. CONSOLIDATED STATEMENT OF FINANCIAL SITUATION

ASSETS

	in thousands of euros	31.12.2017*	Net amount 31.12.2018
NON-CURRENT ASSETS			
TANGIBLE ASSETS	Note 7	153 317	175 652
GOODWILL	Note 6	288	288
INTANGIBLE ASSETS	Note 6	37 094	43 333
INVESTMENTS IN ASSOCIATES	Note 9	21 329	18 008
SALES FINANCING RECEIVABLES	Note 13	3 840	8 210
DEFERRED TAX ASSETS	Note 21	16 722	16 588
NON-CURRENT FINANCIAL ASSETS	Note 10	5 657	8 708
OTHER NON-CURRENT ASSETS		348	375
		238 596	**271 162**
CURRENT ASSETS			
INVENTORIES & WORK IN PROGRESS	Note 11	451 400	574 640
TRADE RECEIVABLES	Note 12	324 593	361 685
SALES FINANCING RECEIVABLES	Note 13	1 713	2 487
OTHER RECEIVABLES			
Current income tax		7 384	5 858
Other receivables	Note 15	32 348	41 538
CURRENT FINANCIAL ASSETS	Note 10	2 754	4 412
CASH AND CASH EQUIVALENTS	Note 10	39 570	27 623
		859 762	**1 018 243**
NON-CURRENT ASSETS HELD FOR SALE			215
TOTAL ASSETS		**1 098 358**	**1 289 620**

LIABILITIES

in thousands of euros		31.12.2017*	Net amount 31.12.2018
Share capital	Note 16	39 622	39 668
Share premiums		45 529	46 098
Treasury shares		-24 305	-24 018
Consolidated reserves		413 765	442 629
Currency translation differences		-3 440	3 903
Net profit (loss) – Equity holder of the parent		59 955	84 109
SHAREHOLDERS' EQUITY – Equity holder of the parent		**531 126**	**592 389**
MINORITY INTERESTS		**1 974**	**4 585**
TOTAL EQUITY		**533 100**	**596 974**
NON-CURRENT LIABILITIES			
NON-CURRENT PROVISIONS	Note 18	47 240	45 368
OTHER NON-CURRENT LIABILITIES		2 677	3 101
DEFERRED TAX LIABILITIES	Note 21	768	1 144
NON-CURRENT FINANCIAL LIABILITIES			
Loans and other financial liabilities	Note 10	47 899	38 477
		98 585	**88 090**
CURRENT LIABILITIES			
CURRENT PROVISIONS	Note 18	13 502	15 086
TRADE ACCOUNTS PAYABLE	Note 20	260 063	292 715
OTHER CURRENT LIABILITIES			
Current income tax	Note 21	4 304	6 457
Other liabilities	Note 20	118 402	148 640
CURRENT FINANCIAL LIABILITIES	Note 10	70 402	141 658
		466 672	**604 556**
TOTAL LIABILITIES		**1 098 358**	**1 289 620**

*Consolidated financial statements presented in comparative include retrospective application of IFRS 9 *(see Notes 1.2.1 and 2 to the consolidated financial statements).*

6.1.3. CONSOLIDATED SHAREHOLDERS' EQUITY AT 31 DECEMBER 2018

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

in thousands of euros	Share Capital	Share premiums	Treasury shares	Reserves	Income for the period	Currency translation differences	Valuation differences	TOTAL SHARE-HOLDERS' EQUITY (group portion)	Minority interests	TOTAL SHARE-HOLDERS' EQUITY
BALANCE AT 31.12.2016*	**39 557**	**44 749**	**-24 088**	**383 952**	**43 110**	**23 698**	**908**	**511 886**	**72**	**511 958**
2016 income				43 110	-43 110					
Income at 31.12.2017					59 955			59 955	151	60 106
Non-group dividends				-16 425				-16 425	-7	-16 432
Change in translation differences						-27 152		-27 152	-121	-27 273
Valuation differences under IFRS				1 129				1 129		1 129
Treasury shares			-217					-217		-217
Actuarial (gain) losses on employee benefits				1 099				1 099	16	1 115
Change in consolidation scope & other	65	780		-9		13		850	1 942	2 792
Shareholders' agreements									-78	-78
BALANCE AT 31.12.2017*	**39 622**	**45 529**	**-24 305**	**412 858**	**59 955**	**-3 440**	**908**	**531 126**	**1 974**	**533 100**
2017 income				59 955	-59 955					
Income at 31.12.2018					84 109			84 109	245	84 354
Non-group dividends				-23 753				-23 753	-102	-23 855
Change in translation differences						5 847		5 847	-550	5 297
Valuation differences under IFRS				-847				-847		-847
First IFRS 15 application				-4 886				-4 886	-8	-4 894
Treasury shares			287					287		287
Actuarial (gain) losses on employee benefits				4 057				4 057	16	4 073
Change in consolidation scope & other	46	569		-5 663		1 496		-3 552	4 251	699
Shareholders' agreements									-1 242	-1 242
BALANCE AT 31.12.2018	**39 668**	**46 098**	**-24 018**	**441 722**	**84 109**	**3 903**	**908**	**592 389**	**4 585**	**596 974**

*Consolidated financial statements presented in comparative include retrospective application of IFRS 9 *(see Notes 1.2.1 and 2 to the consolidated financial statements).*

6.1.4. CASH FLOW STATEMENT AT 31 DECEMBER 2018

		in thousands of euros	31.12.2017*	31.12.2018
		NET INCOME	**60 106**	**84 354**
Less share of profits of associates			-2 447	-2 326
Elimination of income and expenses with no effect on operating cash flow and not linked to operating activities				
+	Amortisation and depreciation		33 372	35 925
-	Provisions and impairment		-6 744	728
-	Change in deferred taxes		-1 103	2 662
+/-	Income (loss) from non-current asset disposal		-133	-47
+/-	Other		-1 052	1 207
		EARNINGS BEFORE DEPRECIATION AND AMORTISATION	**81 996**	**122 502**
Changes in cash flows from operating receivables			-37 378	-108 068
+/-	Change in inventories		-45 582	-114 396
+/-	Change in trade receivables		-53 846	-35 548
+/-	Change in finance contract receivables		-1 506	-5 999
+/-	Change in other operating receivables		-2 376	-9 756
+/-	Change in trade accounts payable		49 003	35 450
+/-	Change in other operating liabilities		18 217	18 534
+/-	Change in taxes payable and receivable		-1 288	3 648
+/-	Change in liabilities linked to finance contract receivables		0	0
Change in capitalised leased machines			-9 366	-19 146
		CASH FLOW FROM OPERATING ACTIVITIES	**35 252**	**-4 712**
Changes in cash flow from investing activities				
+	Proceeds from sale of intangible and tangible assets		370	165
+	Proceeds from sale of long-term investments		1 370	-35
-	Purchase of intangible and tangible assets (excl. rental fleet)		-40 754	-46 412
-	Decrease (increase) of other financial assets		-268	-132
-	Acquisition of subsidiaries net of cash acquired		-510	63
-	Increase in capital of associates		0	0
+	Dividends received from associates		4 610	4 886
		CASH FLOW FROM INVESTING ACTIVITIES	**-35 181**	**-41 464**
Changes in cash flow from financing activities				
+	Capital increase		845	615
-	Capital reduction			
-	Merger			
-	Dividends paid		-16 432	-23 855
+/-	Purchase/sale of treasury shares		75	-65
+/-	Change in financial liabilities	Note 10.6.4	-584	30 805
	Of which loans taken during the year		233	40 087
	Of which loans repaid during the year		-827	-9 282
+/-	Other	Note 10.6.4	999	4 630
		CASH FLOW FROM FINANCING ACTIVITIES	**-15 097**	**12 130**
		NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS	**-15 026**	**-34 046**
Cash, cash equivalents and bank overdrafts at beginning of the year			49 169	34 135
Exchange gains (losses) on cash and bank overdrafts			-8	-698
		CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT END OF THE YEAR	**34 135**	**-609**

*Consolidated financial statements presented in comparative include retrospective application of IFRS 9 *(see Notes 1.2.1 and 2 to the consolidated financial statements).*

6.1.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2018

COMPANY IDENTITY

Manitou BF SA is a French public limited company (*société anonyme*) with a Board of Directors under French law with capital of €39 668 399 consisting of 39 668 399 shares with a par value of €1 per share, fully paid up. The shares are listed in compartment "A" of NYSE Euronext Paris.

The head office of the parent company, which is also the group's main production site, is: 430 rue de l'Aubinière - BP 10249 - 44158 - Ancenis Cedex France. The company is registered in the Nantes Trade and Companies Register under number: 857 802 508 RCS Nantes - SIRET (business registration) No.: 857 802 508 00047 - APE (principal activity code): 292 D - NAF (business sub-sector ID) No.: 2822Z.

FINANCIAL INFORMATION RELATED TO THE APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Manitou Group were approved by the Board of Directors on 06 March 2019.

NOTE 1 ACCOUNTING PRINCIPLES

NOTE 1.1. ACCOUNTING STANDARDS USED BY THE GROUP

The financial statements of Manitou Group at 31 December 2018 were drawn up, on the balance-sheet date, in accordance with the IFRS standards, as adopted by the European Union. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the Standard Interpretations Committee (SIC) interpretations thereof (endorsed by the IFRIC).interpretations.

NOTE 1.2. ACCOUNTING CHANGES IMPLEMENTED IN THE GROUP'S FINANCIAL STATEMENTS AT 31 DECEMBER 2018

The accounting and valuation rules applied by the group in the consolidated financial statements at 31 December 2018 are identical to those used in the financial statements at 31 December 2017, with the exception of the new texts mentioned in 1.2.1.

NOTE 1.2.1. NEW STANDARDS REQUIRED TO BE APPLIED FOR THE 2018 FINANCIAL STATEMENTS

The standards that were mandatory as at 1 January 2018 have no impact on the group's financial statements, with the exception of the following standards:

IFRS 9 "Financial Instruments": standard IFRS 9 introduces a new classification of financial assets based on the group's management intention, a dynamic impairment of financial assets model based on the losses expected in addition to the current model based on proven losses and the broader principles of hedge accounting.

The group has chosen to apply the hedge accounting aspect of standard IFRS 9. To this end, the main changes brought about by standard IFRS 9 relate to the handling of derivative foreign exchange instruments and interest rate derivatives eligible for cash flow hedging. Now, the variation in the time value of options and the variation in the swap points of the longer-term operations will be recorded in the shareholder's equity for the life of the operations, and recorded as operating income upon realisation of the hedged item.

The impact of application of the hedge accounting aspect of the standard is not significant and is available in Note 2 to the consolidated financial statements, as well as the restated consolidated financial statements as at 31 December 2017 to enable a comparison. The situation of the restated balance sheet as at 31 December 2016 and as at 31 December 2017 is also presented.

The other aspects of the standard, "Classification and Measurement" of financial instruments and "Provisions" have no impact on the group's financial statements.

IFRS 15 "Revenue from contracts with customers": standard IFRS 15 defines a new approach for recognising revenue in five steps. The main change brought about by this standard for Manitou is the accounting treatment of the warranty extensions offered. From 1 January 2018, revenue is recorded by distinguishing the sale of the machine from the warranty service. The warranty service product is spread over the warranty period.

IFRS 15 applies prospectively from 1 January 2018. The group has therefore reduced the amount of its opening shareholder's equity by -€4.7 million, net of deferred taxes, to reflect the cumulative effect of the first application of the standard. In 2018, application of IFRS 15 generated a fall in revenue and recurring operating income of -€2.3 million, or -0.1% of revenue. By division, this amount is broken down into a reduction of -€6.4 million in MHA division revenue and an increase of €4.1 million in S&S division revenue.

Data on the 2017 financial year, presented for comparison reasons, has not been adjusted for IFRS 15 and continues to be presented in accordance with the former accounting standard IAS 18 "Income from ordinary activities".

Comparative information is available in note 2.

NOTE 1.2.2. NEW STANDARDS ADOPTED BY THE EUROPEAN UNION SUBJECT TO EARLY APPLICATION

The Manitou Group did not apply any standards, amendments or interpretations published in the Official Journal of the European Union at 31 December 2018 which were not required to be applied in 2018, notably IFRS 16, "Leases" and IFRIC 23 "Uncertainty over income tax treatments".

IFRS 16 "Leases": IFRS 16 "Leases" modifies the method for lessees to recognise leases. It replaces IAS 17 and the IFRIC 4, SIC 15 and SIC 27 interpretations. IFRS 16 will enter into force on 1 January 2019. IFRS 16 imposes a unique method of recognising leases for lessees, impacting the balance sheet in a similar way to current finance leases.

The group has analysed all of its property leases to make sure that they meet the definition and recognition criteria in accordance with IFRS 16. At the end of this work, the main leases identified correspond to immovable property and vehicle rental.

The group will apply the retrospective method by recognising the cumulative effect of the initial application on the date of first application, i.e. 1 January 2019.

The group carried out simulations in order to value the debt on leases expected on the transition date and estimated an impact of between €12m and €17m. The implementation work and work to assess the amounts that will be recognised in the assets and in the liabilities on 1 January 2019 is in the process of being finalised and checked. The impact on the group's shareholder's equity at 1 January 2019 should be limited.

IFRIC 23 "Uncertainty over income tax treatments": analysis of the consequences of the interpretation of IFRIC 23 on the group's consolidated financial statements is under way. The group did not anticipate application of the standard, which should not have a significant impact on the financial statements.

NOTE 1.3. MAIN VALUATION PRINCIPLES USED FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared according to the historical cost principle, with the exception of certain categories of assets and liabilities which were valued at fair value in accordance with the rules laid down by IFRS. The asset and liability categories concerned are specified in the notes below.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the accounting value of certain assets and liabilities and income and expense items, and certain information given in the notes to the financial statements. Manitou regularly reviews the estimates and assumptions used, to reflect past experience and other factors that may influence the amounts reported in the financial statements. The Audit Committee was also required to provide its opinion in the application of the group's accounting methods.

The main financial statement items that rely on estimates and judgements are as follows:

- the recoverable value of intangible and tangible assets, as well as their expected useful life (see Notes 1.9 to 1.11),

- provisions, especially for warranties and litigation (see Note 1.19),
- employee benefits (see Note 1.20),
- the valuation of the financial instruments (see Note 1.16),
- deferred tax assets (see Note 1.21).

NOTE 1.4. CONSOLIDATION METHODS

Manitou BF and the companies over which it exercises full direct or indirect control (subsidiaries) are fully consolidated.

The companies over which Manitou BF directly or indirectly exercises significant influence (associates) are accounted for using the equity method. The Manitou Group has also opted to use the equity method for its joint ventures.

Apart from Manitou Finance France SAS and Manitou Finance Ltd, which were accounted for using the equity method, all companies were fully consolidated.

All the companies were consolidated on the basis of the financial statements as at 31 December 2018.

Manitou Group has no special purpose entities. Furthermore, there was no deconsolidation in 2018 or in the prior periods.

NOTE 1.5. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets, or group of assets and liabilities directly linked, are considered as held for sale if it is highly likely that their accounting value will be covered primarily by a sale rather than by continued use. Pursuant to IFRS 5, these assets are then measured and recognised at their net book value or their fair value less the selling costs, whichever is the lowest. They cease to be depreciated as soon as they are qualified as assets held for sale. In the case of securities consolidated using the equity method, this consolidation stops as soon as the asset meets the IFRS 5 application conditions.

The non-current assets held for sale are presented on a separate line of the group's balance sheet, without the previous periods being restated.

At 31 December 2018, the group considered that HMME meets the conditions for application of IFRS 5 (see note 4).

NOTE 1.6. CHANGE IN SCOPE

The business combinations that took place after 1 January 2010 are accounted for using the purchase method, in accordance with IFRS 3 "Business Combinations" (revised).

Identifiable assets, liabilities and contingent liabilities of the entity acquired are accounted for at their fair value on the date of acquisition provided they fulfil the accounting criteria of IFRS 3 (revised). Residual goodwill represents the expected cash flow from post-acquisition synergies in addition to the assets and liabilities recognised during the first consolidation. The transaction costs are recognised immediately in expenses when they are incurred. In the event of a price adjustment in the 12 months following the date of acquisition, the initial provisional valuation is adjusted in exchange for goodwill. Any subsequent adjustment is recognised as a liability or a receivable through the group's income.

In the event of acquisition of an additional interest in a consolidated subsidiary, the difference between the acquisition price and the accounting value of the non-controlling interests is recognised as a change in shareholders' equity.

Any negative difference between the acquisition cost and the fair value of the identifiable net assets is recognised as income during the acquisition period.

In accordance with the provisions of IAS 36 "Impairment of assets", goodwill is not amortised, but is subject to an annual impairment test.

NOTE 1.7. TRANSLATION METHOD FOR FOREIGN CURRENCY OPERATIONS AND TRANSACTIONS

TRANSLATION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

The financial statements of group companies whose operating currency is different from the reporting currency are translated as follows:

- assets and liabilities: at the closing exchange rate on each balance sheet date,
- income and expenses in the income statement: at the average exchange rate for the period.

All resulting currency translation differences are recognised as a separate line item under shareholders' equity.

Upon consolidation, exchange differences arising from net investments in foreign operations are allocated to shareholders' equity. When a foreign entity is disposed of, any such currency translation differences are recognised in the income statement as a profit or loss on disposal.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

No Manitou Group company operates in a hyperinflationary economy.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in a currency other than the operating currency are initially translated using the exchange rate prevailing on the transaction date.

The amounts recognised in the income statement are reported:

- as financial income for currency translation differences relating to financial transactions,
- as costs of goods and services sold in operating income for other currency translation differences.

EXCHANGE GAINS AND LOSSES

Exchange gains and losses recognised on foreign currency operating transactions resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement are allocated to "Cost of goods and services sold", after hedging derivatives are factored in.

NOTE 1.8. PRESENTATION OF THE FINANCIAL STATEMENTS: INCOME STATEMENT BY FUNCTION

The aims of presenting the income statement by function are:

- to make the financial statements more easily readable and more familiar to operating staff,
- to use a single standard for measuring performance,
- to make financial information more readily accessible to managers and foreign investors.

DEFINITION OF THE MAIN LINE ITEMS OF THE INCOME STATEMENT BY FUNCTION

NET SALES

Net sales mainly consist of the sales of new handling equipment assembled within the group or acquired from third parties, spare parts and attachments, equipment rentals, equipment fleet management services and other miscellaneous services.

COST OF GOODS AND SERVICES SOLD

The cost of sales is made up of the cost of goods and services sold, which comprises the cost of raw materials and components, labour directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortisation of intangible assets, equipment and materials allocated to production, contractual warranty costs, provisions for inventory impairment, and exchange gains and losses on operating income in foreign currency resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement.

GROSS MARGIN

The gross margin on the cost of sales is the difference between sales and the cost of sales.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs consist of personnel costs for staff assigned to innovation, development, design, prototyping and product improvements. The businesses frequently use external services as well as dedicated equipment and materials for which depreciation is charged to the function.

Research and development activities that meet feasibility and innovation criteria can be capitalised as intangible assets and subsequently amortised as cost of sales. Expenses not meeting the criteria for capitalisation are recognised directly as expenses.

SALES AND MARKETING COSTS

Sales costs consist primarily of personnel and associated costs allocated to business development assignments, coordination of dealer networks, and marketing and technical expenses. This line item also includes sales commissions, advertising costs, trade shows, credit insurance expenses, the cost of sales warranties, travel expenses and the depreciation of associated infrastructure.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of personnel expenses and costs associated with the support functions (human resources, finance, general secretariat, etc.). They also include depreciation of the infrastructure associated with these functions.

NON-RECURRING INCOME & EXPENSES

The other non-recurring operating income and expenses, excluded from the recurring operating income, include:

- impairment,
- income from significant or unusual disposals of tangible and intangible assets,
- acquisition and consolidation expenses,
- income relating to "Badwill",
- income from disposals of consolidated securities,
- restructuring costs,
- unusual items corresponding to other income and expenses which are not usual in terms of their frequency, nature and amount.

OPERATING INCOME

Operating income includes all the recurring and non-recurring items described above.

OPERATING INCOME INCLUDING NET INCOME FROM EQUITY ASSOCIATES

The "Operating income including net income from equity associates" aggregate line item includes the proportionate share of income from associate companies in operating income.

NOTE 1.9. INTANGIBLE ASSETS

DEVELOPMENT COSTS are capitalised as an asset when they meet all the following criteria:

- the product or process is clearly determined and the costs attributable to the product or process can be identified separately and reliably assessed,
- the product or process is new or represents a substantial improvement to an existing product or process,
- the technical feasibility of producing the product or process can be demonstrated,
- the company intends to produce and market or use the product or process,
- there is a market for the product or process or, in case of internal use, its usefulness to the company can be demonstrated,
- there are sufficient available resources to complete the development and then use or sell the intangible asset.

These costs primarily include the costs of the personnel assigned to the projects, the portion of overhead costs dedicated to the development activity, the costs of external studies and the costs of prototype creation.

Development costs incurred between the decision to start development, the manufacture of new equipment and the testing and pre-series production phase for that equipment are recognised as intangible assets. Depreciation of the asset begins when development is complete and the asset is ready to be put into operation.

Costs incurred in connection with the implementation of an integrated information system (ERP) are recognised as assets for the portion relating to the detailed design of the project and to programming, testing and documentation, if it is likely that the future economic benefits attributable to the asset will flow to the entity and if the cost of that asset can be reliably assessed and monitored.

Costs related to preliminary study, the functional analysis phase and user training are recognised as expenses for the period.

SUBSEQUENT REVALUATION: IAS 38 provides the option of revaluing all or a portion of the assets after the transition date. The group has decided not to make use of this option.

DEPRECIATION is calculated according to the estimated useful lives of the different categories of assets, using the straight-line method. The amortisable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortisable assets.

the main depreciation periods are as follows:

- patents: 5 years,
- computer software: 3 years,
- complex information systems - ERP: 7 years,
- development costs: 5 years.

NOTE 1.10. TANGIBLE ASSETS

INITIAL RECOGNITION

The gross value of tangible assets is the historical cost of acquisition or production.

In regard to the item-based approach, the principles currently applied are as follows:

- with respect to buildings, the "construction" portion (structural work) and the "installations" portion (walls, electricity, compressed air systems, etc.) are depreciated over different periods (20 to 30 years for buildings and 10 years for installations),
- with respect to industrial equipment and other fixed assets with a high unit value (more than €50K), depending on the nature of the constituent components and their rate of wear and tear, components for which the unit value exceeds 15% of the total value of the asset are also separated out, so that different depreciation periods can be applied.

DEPRECIATION is calculated based on the estimated useful lives of the different categories of assets, using the straight-line method. The amortisable amount is the difference between the cost of the asset and the residual value, which is considered to be zero for all amortisable assets.

The principal estimated useful lives are as follows:

- buildings: between 20 and 30 years depending on the construction quality,
- improvements to land and buildings: 10 years,
- industrial equipment: between 3 and 7 years depending on the type of equipment,
- industrial tooling and moulds: 3 years,
- transport equipment: 4 years for passenger cars, 5 years for large commercial vehicles,
- office and IT equipment: between 3 and 5 years depending on the type of equipment,
- office furniture: 10 years.

EQUIPMENT RENTED OR PROVIDED FOR RENTAL

Equipment covered by financing leases for the benefit of group companies is capitalised when the unit value exceeds €15 thousand.

Equipment covered by financing leases for the benefit of customers is not capitalised, whether related to previously capitalised equipment, financing leases (back-to-back leasing) or rental (back-to-back rental). These assets are reported as receivables, at an amount equal to the net investment in the leasing contract.

Equipment covered by simple rental contracts to the benefit of customers are capitalised in the appropriate asset categories. It is depreciated over a period of 8 years.

NOTE 1.11. IMPAIRMENT OF A FIXED ASSET

Assets for which the expected useful life is not defined, for example, goodwill, are not amortised and are subject to an annual test for impairment. The amortised assets are reviewed on each reporting date to identify any indication of impairment.

Whenever there is an internal or external indication of impairment, the recoverable value of the asset concerned is appraised with reference to the asset group to which it belongs (cash-generating unit). Cash-generating units are coherent subsets that produce independent cash flows.

At Manitou Group level, the main cash-generating units (CGUs) identified correspond to the manufacturing and marketing of handling equipment, the manufacturing of masts, the marketing of spare parts and attachments, and the sales financing of handling equipment to end users. The CGUs are part of the operating sectors defined by the group.

The recoverable value of an asset or an asset group is its fair value less disposal costs or its expected useful value, whichever is greater. The expected useful value is the expected discounted cash flow from the use of the cash-generating unit under consideration.

The estimated cash flows are derived from 5-year plans approved by group management. The assumptions underlying the preparation of these plans include developments in the markets in which these cash-generating units operate, and the trends in the selling prices of the products and the purchase prices of materials and components. The discount rate is the weighted average cost of capital established by the group.

When the recoverable value is less than the net carrying amount of the CGU under consideration, an impairment loss is recorded against non-recurring operating income to reduce the asset or the asset group concerned.

NOTE 1.12. VALUATION AND WRITE-DOWN OF INVENTORIES

The methods adopted for valuing inventories and calculating inventory write-downs are consistent with IAS 2. Inventories are valued on the following basis:

- merchandise: valued at the weighted average purchase price,
- raw materials: valued at the weighted average purchase price,
- semi-finished products, work in process and finished products: valued at the cost of production (raw materials, equipment and labour at actual cost).

Semi-finished and finished products are valued on the basis of a standard level of activity.

Furthermore, provisions for write-down of inventories are recognised when the net realisable value of goods and merchandise is less than their cost price.

NOTE 1.13. VALUATION AND RECOGNITION OF FINANCIAL ASSETS

Pursuant to IFRS 9, the financial assets are classified in one of the following categories:

- Financial assets at fair value through income,

- Financial assets valued at amortised cost,

- Financial assets valued at fair value by the other elements of the comprehensive income.

NOTE 1.13.1. SALES FINANCING RECEIVABLES

Receivables on finance contracts are valued at their discounted value using the effective interest rate method. If there are objective indications of impairment, a write-down for impairment is recorded. The amount of any loss recognised is recorded in the income statement.

NOTE 1.13.2. FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH THE OTHER ELEMENTS OF THE INCOME STATEMENT

The financial assets are valued at their fair value and changes in this fair value are recorded in the other components of comprehensive income.

In particular, they include assets linked to the American subsidiary's SERP (Supplemental Employment Retirement Plan) (see Note 10.2).

NOTE 1.13.3. CASH AND CASH EQUIVALENTS

The availabilities and cash equivalents are mainly made up of bank accounts and marketable securities that can be disposed of quickly, are very liquid, can be easily converted into a known cash amount and of which the underlying assets do not present significant fluctuation risks.

Marketable securities are revalued at their fair value by the income statement.

NOTE 1.13.4. SHORT-TERM FINANCIAL ASSETS

This item mainly includes derivative financial instruments whose recognition is explained in note 1.16.

NOTE 1.14. VALUATION AND RECOGNITION OF FINANCIAL LIABILITIES

NOTE 1.14.1. BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings are initially recognised at their fair value, net of directly attributable transaction costs. These borrowings are valued at their amortised cost on each reporting date, using the effective interest rate method. Financial expenses therefore include interest and other costs incurred which are spread over the life of the loan.

NOTE 1.14.2. VALUATION OF SHAREHOLDER AGREEMENTS (MINORITY PUT OPTIONS)

Manitou BF SA has signed shareholder agreements specifying the terms for repurchasing shares held by the minority shareholders of fully consolidated subsidiaries. In the absence of a specific standard or interpretation, the fair value of the commitment to minority shareholders is recognised as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, by deduction from the group portion of shareholders' equity. The change in the financial liability related to the change in the fair value of the commitment to minority shareholders from one period to the next is also recognised as a financial liability by deduction from minority interests and, for the portion exceeding the value of the minority interests, by deduction from the group portion of shareholders' equity.

NOTE 1.15. PRINCIPLES OF VALUATION AT FAIR VALUE

The fair value of all financial assets and liabilities is determined on the reporting date, either for accounting purposes or for disclosure in the Notes to the financial statements (see Note 10).

Fair value is determined:

- either based on market prices on an active market (level 1),
- or based on internal valuation methods using standard mathematical calculations which include observable market data (forward rates, yield curves, etc.), with the resulting valuations being adjusted to take account of reasonable change in the group or counterparty risks (level 2),
- or based on internal valuation methods which, in the absence of available data, incorporate parameters estimated by the group (level 3).

NOTE 1.16. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

The group uses various derivative financial instruments in order to reduce its exposure to interest rate and exchange rate risks.

These derivative instruments are recognised on the balance sheet and valued at their fair value on the date the contract is signed. Changes to the fair value of these derivative instruments are recorded on the income statement, except in the case of cash flow hedging.

The derivative instruments designated as hedging instruments are classified by hedging category depending on the nature of the risks covered. Hedge accounting applies if, and only if, the following conditions are met: the hedged item and the hedging instrument are eligible, a hedging relationship is clearly identified, formalised and documented from the date it is established and there is an economic relationship between the hedged item and the hedging instrument.

The ineffectiveness is recognised in the income statement on each closing date.

The accounting treatment of financial instruments qualified as hedging instruments, and their impact on the income statement and the balance sheet, depends on the type of hedging relationship:

Cash flow hedges: the effective portion of the change in fair value of the hedging instrument is directly recognised in the other components of the comprehensive income. For foreign exchange derivatives, the variation in the time value of options and the variation in the swap points are also recorded in the other components of the comprehensive income. These amounts are reclassified in the income statement symmetrically to the method of recognition of the hedged items, that is to say mainly as gross margin for the effective portion of the commercial transaction hedges, and as financial result for financial transaction hedges as well as the time value of the commercial transaction hedges.

Fair value hedges: the hedged component of these elements is valued on the balance sheet at its fair value for the risk covered. The change in this fair value is recorded on the income statement and is compensated, to the extent effective, by recognition in the result of the symmetrical variations in fair value of the financial instruments used in hedging.

NOTE 1.17. TREASURY SHARES

Treasury shares held by the group are recognised at their purchase price against shareholders' equity, regardless of their future use (IAS 32).

When securities are sold, the sale price is recognised directly in group shareholders' equity and the related cash receipt is recognised in cash and cash equivalents. No gain or loss is therefore recorded in the income statement for the period.

NOTE 1.18. STOCK OPTIONS

MANITOU BF STOCK OPTIONS

In accordance with IFRS 2, stock options granted to employees and corporate officers of the group after 07.11.2002 were valued at their fair value on the grant date, defined as the date on which the Board of Directors (or the Management Board for periods prior to 2009) agrees to grant the options to the employees or corporate officers concerned. The stock options were valued using a binomial model based on the following assumptions, measured on the grant date for each plan:

- exercise price,
- share price at grant date,
- estimated life,
- risk-free rate corresponding to the estimated life of options (long-term, zero coupon government bonds),
- estimated volatility,
- dividend rate per share.

The fair value determined in this way is taken into account on a straight-line basis over the entirety of the vesting period (4 years).

No new grants were made during the period.

NOTE 1.19. PROVISIONS

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the group has a current liability to a third party and it is probable or certain that it will require an outflow of resources to said third party, with no consideration, or for consideration less than the equivalent thereof.

WARRANTY

A provision is created to cover the estimated cost of warranties on machinery and spare parts at the time they are sold to the sales networks or to end customers. It covers the contractual warranty, as well as any potential extension on a case-by-case basis. The provision is based on projections from historical statistical data.

A provision may also be recognised in connection with a recall campaign for specific equipment to resolve a major or hazardous malfunction. In this instance, the provision is assessed by applying the unit cost of remedial action to the fleet of machines concerned.

RESTRUCTURING MEASURES/SEVERANCE INDEMNITIES

The estimated cost of restructuring measures and severance indemnities is recognised and recorded as a provision when they have been documented in a detailed plan and have been announced or begun to be implemented.

NOTE 1.20. EMPLOYEE BENEFITS

The group has put in place a number of employee benefit plans with defined contributions or defined benefits:

- The defined contribution plans are post-employment benefit plans under which the Manitou Group pays contributions to an independent entity. In this case, the group is not bound by any legal or implicit requirement which compels it to make additional contributions in the event that the assets are not sufficient to pay the benefits due for services rendered. The contributions are accounted for as an expense when they fall due.
- The liabilities resulting from defined benefit schemes, and their costs, are calculated according to IAS 19 (Revised), using the projected unit credit method. Liabilities for benefits granted are assessed taking into account the demographic and economic assumptions for each entity concerned. They are discounted to their present value using a discount rate based on the interest rates for the highest-quality bonds. The various categories of defined benefit plans in place within the Manitou Group and the main assumptions used are set out in Note 19 to the consolidated financial statements.

Actuarial gains and losses generated by changes in assumptions were recorded in reserves as at 31 December 2018.

The net expense for the period is the sum of the cost of services rendered, the cost related to unwinding the discount, the expected return on plan assets and, if applicable, the cost of managing the assets.

NOTE 1.21. TAXES

In accordance with IAS 12, "Income Taxes", deferred taxes are recognised on all temporary differences between the book value of assets and liabilities and their fiscal value, using the liability method. Deferred tax assets and liabilities are systematically recorded. Deferred tax assets are written down depending on the probability of their future use.

Within the same tax entity, deferred tax assets and liabilities are offset, since it has the right to offset its tax assets and its tax liabilities payable.

In addition, the group considered that the French CVAE (Business Contribution on Value Added) had characteristics similar to certain other foreign taxes such as the Italian IRAP, already assessed by the issuers concerned as falling within the scope of IAS 12. In accordance with IAS 12, the total amount of current and deferred expense related to the CVAE is reported in the "Income taxes" line item of the income statement.

NOTE 1.22. ACCOUNTING TREATMENT FOR GRANTS

Public authority grants are recognised when there is reasonable assurance that they will be received and that the group will be able to comply with the conditions of the grant.

Grants related to depreciable assets are initially recognised as balance sheet liabilities and reported in the income statement at the rate of depreciation of the relevant assets.

The research tax credit was recognised as grant income for the period.

NOTE 1.23. SEGMENT INFORMATION

In accordance with IFRS 8, the information by operating segment is prepared on the basis of operating reports submitted to group management. This information is prepared in accordance with the IFRS applicable to consolidated financial statements.

It includes the following items:

- sales,
- operating income,
- operating income including net income from equity associates, which are the performance indicators of the divisions.

The segments presented under the segment information are the MHA, CEP and S&S divisions.

NOTE 1.24. INCOME FROM ORDINARY ACTIVITIES

Sales amount to all proceeds from the sales of the group's products, from trading activities and the provision of services associated with sales. It is reported net of value-added tax, goods returns, discounts and allowances and deductions for intragroup sales.

Product sales are recognised when the group has honoured its service commitment to the purchaser and when control over the products has been transferred, in general when the products are made available to the distribution network in the case of independent dealers, or upon delivery to the end customer for direct sales. In the case of provision of services, the product is recognised when the service has been performed. Thus, for warranty extensions, the revenue is recognised as the service is provided.

NOTE 1.25. CALCULATION OF EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. To calculate the diluted earnings per share, the profit attributable to ordinary shareholders of Manitou BF and the weighted average number of shares outstanding are adjusted for the effects of all potentially diluting ordinary shares.

NOTE 2 COMPARABILITY OF FINANCIAL YEARS

The impacts of application of the new IFRS 9 and IFRS 15 standards, as described in Note 1.2.1, are summarised below.

IFRS 9 "FINANCIAL INSTRUMENTS"

INCOME STATEMENT

in thousands of euros	31.12.2017 Published	IFRS 9	31.12.2017 Restated
Net sales	1 590 968		1 590 968
Cost of goods and services sold	-1 332 246	-145	-1 332 391
Research and development costs	-20 800		-20 800
Selling, marketing and service expenses	-94 701		-94 701
Administrative expenses	-49 696		-49 696
Other operating income and expenses	1 920		1 920
RECURRING OPERATING INCOME	**95 445**	**-145**	**95 300**
Impairment of assets	0		0
Other non-recurring operating income and expenses	-4 966		-4 966
OPERATING INCOME	**90 479**	**-145**	**90 334**
Share of profits of associates	2 447		2 447
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**92 926**	**-145**	**92 781**
Financial income	16 556		16 556
Financial expenses	-22 001	-26	-22 027
Financial result	-5 446	-26	-5 472
INCOME BEFORE TAX	**87 480**	**-171**	**87 309**
Income taxes	-27 260	57	-27 203
NET INCOME	**60 220**	**-114**	**60 106**
Attributable to equity holders of the parent	60 069	-114	59 955
Minority interests	151		151

BALANCE SHEET - IMPACTS ON SHAREHOLDER'S EQUITY

in thousands of euros	Share Capital	Share premiums	Treasury shares	Reserves	Income for the period	Currency translation differences	Valuation differences	TOTAL SHARE-HOLDERS' EQUITY (group portion)	Minority interests	TOTAL SHARE-HOLDERS' EQUITY
Balance at 31.12.2016 published	39 557	44 749	-24 088	384 150	42 912	23 698	908	511 886	72	511 958
IFRS 9				-198	198			0		0
Balance at 31.12.2016 restated	39 557	44 749	-24 088	383 952	43 110	23 698	908	511 886	72	511 958
Balance at 31.12.2017 published	39 622	45 529	-24 305	412 744	60 069	-3 440	908	531 126	1 975	533 100
IFRS 9				114	-114			0		0
Balance at 31.12.2017 restated	39 622	45 529	-24 305	412 858	59 955	-3 440	908	531 126	1 975	533 100

IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS": INCOME STATEMENT BY DIVISION

	MHA	CEP	S&S	IFRS 15	MHA	CEP	S&S	IAS 18
in thousands of euros	Material Handling and Access	Compact Equipment Products	Services & Solutions	31.12.2018	Material Handling and Access	Compact Equipment Products	Services & Solutions	31.12.2018
Net sales	1 294 087	313 509	275 982	1 883 578	1 300 473	313 509	271 914	1 885 896
Cost of goods and services sold	-1 095 976	-270 552	-203 270	-1 569 798	-1 095 976	-270 552	-203 270	-1 569 798
R&D, marketing, sales costs, service & admin	-98 161	-33 573	-52 706	-184 440	-98 161	-33 573	-52 706	-184 440
Recurring operating income	99 950	9 384	20 006	129 340	106 335	9 384	15 938	131 658
% net sales	7.7%	3.0%	7.2%	6.9%	8.2%	3.0%	5.9%	7.0%
Operating income	97 423	8 970	19 710	126 104	103 808	8 970	15 642	128 421
Operating income, including income from equity consolidated associated undertakings	97 439	8 970	22 020	128 431	103 824	8 970	17 952	130 748
Financial result				-5 974				-5 974
Income before tax				122 456				124 774
Income taxes				-38 103				-38 720
Net income				84 354				86 054
% net sales				4.5%				4.6%

BALANCE SHEET - IMPACT OF IFRS 15 ON OPENING SHAREHOLDER'S EQUITY

ASSETS

in thousands of euros	31.12.2017*	First IFRS 15 application	01.01.2018
NON-CURRENT ASSETS	**238 596**	**1 880**	**240 476**
CURRENT ASSETS	**859 762**	**3 251**	**863 013**
of which INVENTORIES & WORK IN PROGRESS	451 400	3 251	454 651
TOTAL ASSETS	**1 098 358**	**5 131**	**1 103 489**

LIABILITIES

in thousands of euros	31.12.2017*	First IFRS 15 application	01.01.2018
Share capital	39 622		39 622
Share premiums	45 529		45 529
Treasury shares	-24 305		-24 305
Consolidated reserves	413 765	-4 886	408 879
Currency translation differences	-3 440		-3 440
Net profit (loss) – Equity holder of the parent	59 955		59 955
SHAREHOLDERS' EQUITY – Equity holder of the parent	531 126	-4 886	526 240
MINORITY INTERESTS	1 974	-8	1 966
TOTAL EQUITY	**533 100**	**-4 894**	**528 206**
NON-CURRENT LIABILITIES	**98 585**		**98 585**
CURRENT LIABILITIES	**466 672**	**10 025**	**476 697**
of which Other liabilities	118 402	10 025	128 427
TOTAL LIABILITIES	**1 098 358**	**5 131**	**1 103 489**

*Consolidated financial statements presented in comparative include retrospective application of IFRS 9.

NOTE 3 MONITORING OF LITIGATION FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

JCB LITIGATION

In May 2017, action was taken against the Manitou Group by J.C. Bamford Excavators Limited (JCB), in France, the United Kingdom and later Italy, for allegedly infringing two European patents regarding certain features related to the control system of the overload cut-off of certain telehandlers manufactured and/or marketed in these three countries.

Financially, in May 2017, the claimant was seeking preliminary damages (subject to further evaluation) of €20 million before the French court, increased in June 2018 by JCB to €50 million. The claimant did not specify, and has still not specified on the date this report is published, the amount claimed before the English court, but the summons indicates that, for procedural purposes, the commercial value of the claim is estimated to be in excess of £10 million. For Italy, the summons does not specify the amount claimed.

1. In France, the legal proceedings for this dispute continued throughout 2018.

Within the context of a procedural issue, JCB applied for interim injunctive relief against Manitou BF. The pretrial judge decided on 31 January 2019 to dismiss JCB's application for the first patent on which JCB was basing its allegations and, with regard to the second patent, temporarily prohibited Manitou BF from manufacturing, offering for sale, leasing and holding a former configuration of certain telehandlers. This decision has no impact on Manitou BF's business insofar as it relates to the control system incorporated in certain models produced and sold before August 2017 that are no longer manufactured by Manitou BF, a fact that was acknowledged by the decision. Manitou BF has appealed this decision.

For this same incident, Manitou BF had alternatively proposed, if the judge considered the interim injunctive relief well founded, the replacement of the bans by a bank guarantee of €470 000 for the two patents. This proposal became irrelevant for the first patent, for which the judge did not declare a preliminary injunction. JCB produced an appraisal valuing its loss at €160 million (for the two patents) in support of its application for the guarantee, if ordered, to be for €30 million (also for the two patents). This proposal was not accepted by the judge, nor was JCB's application for penalties of €100 000 per day of delay, with the penalties declared by the judge at €1 000 per offence, the decision emphasising that the alleged loss by JCB concerns only the overload cut-off control system and not the machine as a whole.

2. In the United Kingdom, proceedings did not progress in 2018, with JCB not carrying out any procedures to this effect. A Case Management Conference was held in January 2019 after JCB finally carried out the procedures incumbent on it. The schedule for the litigation for the coming year was established.

3. In Italy, the proceedings remain in a preliminary phase.

Lastly, in December 2018, JCB served a new summon on the Manitou Group for infringement of intellectual property rights relating to a third patent in France and the United Kingdom. This summons repeats the application for a provision of €50 million presented in the first proceeding initiated in France by JCB. It was consolidated in the United Kingdom but remains separate in France.

The Manitou Group completely denies JCB's allegations and continues to defend itself vigorously.

At the current stage in the proceedings, the financial risk that could be incurred is difficult to reliably estimate. In addition, a significant outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou Group in its defence. Consequently, no provision has been set aside in the group's accounts for these claims.

NOTE 4 CHANGES IN SCOPE

HMME - HANGZHOU MANITOU MACHINERY EQUIPMENT

The Manitou Group is in exclusive negotiations to assign its share in HMME (Hangzhou Manitou Machinery Equipment Co Ltd.). Following this negotiation, the group considers that, at 31 December 2018, the conditions for application of IFRS 5 for the non-current assets held for sale are met because of the high probability of sale.

This assignment relates to a company that has been almost dormant for several years and does not concern the partnership the Manitou Group has with the Hangcha group for the design and assembly of industrial forklift trucks.

Thus, the securities accounted for under the equity method of HMME are classified separately on the line "Non-current assets held for sale" and are valued at the book value or the assignment value whichever is lowest, net of costs relating to the assignment.

Assessment at the fair value established taking into account negotiations with the purchaser generated recognition of a non-recurring loss of €0.3m.

MANITOU SOUTHERN AFRICA - DISPOSAL OF A MINORITY SHARE OF 26%

On 5 November 2018, Manitou BF transferred 26% of the share capital in its subsidiary Manitou Southern Africa (until then a 100% owned subsidiary) to the Columba Leadership Trust fund.

This transaction resulted in a decrease in the percentage of interest without changing consolidation method. The sale result was recorded as shareholder's equity.

During this transaction, Manitou BF granted Columba Trust a repurchase agreement for its share (put on minority interests). This put was recorded as a long-term financial debt for its present value of the estimated exercise price, with shareholder's equity for an amount of €1.2 million at 31 December 2018.

NOTE 5 INFORMATION ON THE OPERATING SEGMENTS

The group's organisational structure comprises three divisions, two product divisions and a service division: **The MHA product division** (Material Handling and Access – handling equipment and aerial work platforms) includes the French and Italian production sites mainly producing telehandlers, industrial and rough terrain forklift trucks, mounted forklift trucks and aerial work platforms. Its mission is to optimise the development and production of Manitou brand name products.

The CEP product division (Compact Equipment Products - compact equipment) optimises the development and production of Gehl, Mustang by Manitou & Manitou-branded skidsteer loaders, track loaders, articulated loaders, backhoe loaders and telehandlers.

The S&S division (Services & Solutions) includes service activities to support sales (financing approaches, warranty contracts, maintenance and full service contracts, fleet management, etc.), after-sales services (spare parts, technical training, warranty contract management, used equipment sales, etc.) and services to end users (geo-location, user training, advice, etc.). The aim of this division is to create service offers to meet the expectations of each of our customers in our value chain and increase the resilience of group sales.

These three divisions design and assemble the products and services which are distributed by the sales and marketing organisation to dealers and the group's major accounts in 140 countries.

CONSOLIDATED INCOME STATEMENT BY DIVISION (MHA, CEP, S&S)

31.12.2018 in thousands of euros	MHA Material Handling and Access	CEP Compact Equipment Products	S&S Services & Solutions	Total
Net sales	1 294 087	313 509	275 982	1 883 578
Cost of goods and services sold	-1 095 976	-270 552	-203 270	-1 569 798
Research and development costs	-19 888	-4 019		-23 908
Selling, marketing and service expenses	-47 183	-15 219	-42 714	-105 116
Administrative expenses	-32 378	-13 911	-9 863	-56 152
Other operating income and expenses	1 289	-424	-128	736
RECURRING OPERATING INCOME	**99 950**	**9 384**	**20 006**	**129 341**
Impairment of assets	-339			-339
Other non-recurring operating income and expenses	-2 188	-414	-296	-2 898
OPERATING INCOME	**97 423**	**8 970**	**19 710**	**126 104**
Share of profits of associates	16		2 310	2 326
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**97 439**	**8 970**	**22 020**	**128 431**

31.12.2017 in thousands of euros	MHA Material Handling and Access	CEP Compact Equipment Products	S&S Services & Solutions	Total
Net sales	1 095 217	244 029	251 722	1 590 968
Cost of goods and services sold	-931 954	-214 385	-186 052	-1 332 391
Research and development costs	-17 042	-3 758		-20 800
Selling, marketing and service expenses	-43 168	-14 240	-37 293	-94 701
Administrative expenses	-28 002	-12 260	-9 434	-49 696
Other operating income and expenses	894	694	332	1 920
RECURRING OPERATING INCOME	**75 944**	**80**	**19 275**	**95 300**
Impairment of assets				
Other non-recurring operating income and expenses	-4 970	262	-258	-4 966
OPERATING INCOME	**70 974**	**342**	**19 017**	**90 334**
Share of profits of associates	-387		2 834	2 447
OPERATING INCOME INCLUDING NET INCOME FROM ASSOCIATES	**70 587**	**342**	**21 851**	**92 781**

The spare parts and attachments distribution business, which is part of the Services & Solutions division, benefits from services provided by the MHA and CEP divisions (R&D, qualification of parts, qualification of suppliers), from the installed base of machines sold, and from the brand name recognition developed by these divisions.

In order to compensate for all these benefits, the group's divisional reporting includes fees from the Services & Solutions division to the MHA and CEP divisions. This fee is calculated based on comparable external indicators from independent spare parts distributors for which the median operating income over a 5-year period amounted to 4.25% in Europe and 4.87% in the USA, the main regions in which the S&S division operates. The fee is allocated to each division in the "Cost of goods and services sold" line item, which therefore corresponds to the cost of goods and services sold, net of fee expenses or income.

Assets, cash flows and liabilities are not allocated to the individual divisions, as the operating sector information used by group management does not include those various items.

SALES BY DIVISION AND REGION

31.12.2018 in thousands of euros	Southern Europe	Northern Europe	Americas	APAM	Total
MHA	463 165	621 991	99 204	109 727	1 294 087
CEP	18 460	42 855	202 583	49 611	313 509
S&S	96 923	90 958	48 494	39 606	275 982
TOTAL	**578 548**	**755 804**	**350 282**	**198 944**	**1 883 578**

31.12.2017 in thousands of euros	Southern Europe	Northern Europe	Americas	APAM	Total
MHA	421 824	490 891	79 330	103 171	1 095 217
CEP	13 803	32 547	162 793	34 886	244 029
S&S	87 019	78 494	50 923	35 286	251 722
TOTAL	**522 646**	**601 932**	**293 046**	**173 343**	**1 590 968**

NOTE 6 GOODWILL AND INTANGIBLE ASSETS

NOTE 6.1. CHANGE IN NET BOOK VALUE

in thousands of euros	31.12.2017	Additions	Removals	Changes in scope	Other	Currency translation differences	Gross amount 31.12.2018
Goodwill	67 952					3 406	71 358
Development costs	66 457	9 469				1 104	77 029
Trademarks	26 682					1 265	27 948
Other intangible fixed assets	79 905	5 661	-83		41	1 517	87 041
TOTAL INTANGIBLE FIXED ASSETS	**173 044**	**15 130**	**-83**		**41**	**3 886**	**192 018**

in thousands of euros	31.12.2017	Increases	Decreases	Changes in scope	Other	Currency translation differences	Depreciation and impairment 31.12.2018
Goodwill	-67 663					-3 406	-71 070
Development costs	-41 680	-5 692				-517	-47 888
Trademarks	-26 682					-1 265	-27 948
Other intangible fixed assets	-67 588	-3 893	83			-1 452	-72 849
TOTAL INTANGIBLE FIXED ASSETS	**-135 950**	**-9 585**	**83**			**-3 234**	**-148 685**

in thousands of euros	31.12.2017	Net amount 31.12.2018
Goodwill	288	288
Development costs	24 777	29 141
Trademarks		
Other intangible fixed assets	12 317	14 192
TOTAL INTANGIBLE FIXED ASSETS	**37 094**	**43 333**

The main intangible investments in 2018 concerned development costs for €9.5m and information systems for €5.7m.

As a reminder, impairment losses on intangible assets excluding goodwill at 31 December 2018 were as follows:

in thousands of euros	31.12.2018
Development costs	-1 114
Trademarks	-27 948
Other intangible fixed assets	-27 141
TOTAL	**-56 203**

NOTE 6.2. BREAKDOWN OF NET GOODWILL AT THE END OF THE FINANCIAL YEAR

in thousands of euros	31.12.2017	Net amount 31.12.2018
Manitou Portugal SA	71	71
Manitou Italia (formerly OMCI)	174	174
Other	43	43
TOTAL	**288**	**288**

NOTE 6.3. IMPAIRMENT OF GOODWILL

The main criteria used when developing impairment tests are set out in Note 8.

NOTE 7 TANGIBLE ASSETS

in thousands of euros	31.12.2017	Additions	Disposals	Change in scope	Other	Currency translation differences	Gross amount 31.12.2018
Land	33 068	3 047	-25		816	115	37 022
Buildings	153 263	1 370	-30		4 054	1 256	159 912
Plant, machinery and equipment	177 403	6 424	-1 231		4 568	1 871	189 033
Other tangible assets	90 787	25 665	-629		-11 788	-806	103 229
Tangible fixed assets under production	4 281	15 637	0		-6 944	112	13 085
TOTAL	**458 802**	**52 142**	**-1 915**	**0**	**-9 295**	**2 548**	**502 282**

in thousands of euros	31.12.2017	Increases	Decreases	Changes in scope	Other	Currency translation differences	Depreciation and impairment 31.12.2018
Land	-8 075	-855	0		0	-56	-8 986
Buildings	-91 419	-6 143	23		0	-652	-98 189
Plant, machinery and equipment	-144 180	-11 164	1 216		116	-1 528	-155 541
Other tangible assets	-61 811	-7 839	557		4 683	497	-63 912
Tangible fixed assets under production	0	0	0	0	0	0	0
TOTAL	**-305 485**	**-26 001**	**1 796**	**0**	**4 799**	**-1 740**	**-326 629**

in thousands of euros	31.12.2017	Net amount 31.12.2018
Land	24 993	28 036
Buildings	61 844	61 723
Plant, machinery and equipment	33 223	33 491
Other tangible assets	28 976	39 317
Tangible fixed assets under production	4 281	13 085
TOTAL	**153 317**	**175 652**

The investments made in 2018 stand at €52.2m versus €32.5m in 2017. They include €17.5m in land and infrastructure, €12.5m in industrial tools, €19.1m in rental fleet equipment and €3.1m in other projects.

NOTE 8 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At 31 December 2018, the Manitou Group has no goodwill or other assets with an indeterminate useful life requiring annual impairment tests. Only the amortised assets, in particular the development costs, are subject to tests when there is evidence of impairment. Reviewing the indicators did not lead the group to record impairment for the 2018 financial year.

NOTE 9 ASSOCIATES

NOTE 9.1. CHANGE IN INVESTMENTS IN ASSOCIATES

Considering that the conditions for application of IFRS 5 for non-current assets held for sale are met, HMME, initially consolidated using the equity method, was classified on 31 December 2018 as non-current assets held for sale (see Note 4).

in thousands of euros	31.12.2017	Share of net income	Dividends	Change in scope	Change of method	Reclassifica-tion	Inc. Monetary	31.12.2018
Manitou Finance France SAS	12 013	898	-1 840	0	-158	0	0	10 913
Manitou Finance Ltd.	8 773	1 412	-3 046	0	10	0	-54	7 095
Hangzhou Manitou Machinery Equipment	543	16	0	0	0	-554	-5	0
TOTAL	**21 329**	**2 326**	**-4 886**	**0**	**-148**	**-554**	**-59**	**18 008**

NOTE 9.2. SHARE OF EARNINGS AND EQUITY OF ASSOCIATES

	Result		Shareholders' equity*	
in thousands of euros	31.12.2017	31.12.2018	31.12.2017	31.12.2018
Manitou Finance France SAS	1 157	898	-558	-1 658
Manitou Finance Ltd.	1 677	1 412	3 901	2 222
Hangzhou Manitou Machinery Equipment	-387	16	-709	-698
TOTAL	**2 447**	**2 326**	**2 634**	**-134**

** Contribution of associates in the shareholders' equity of the group (share of shareholders' equity of the company accounted for using the equity method, net of the value of securities)*

NOTE 9.3. BREAKDOWN BY COMPANY OF THE SIGNIFICANT ITEMS

						31.12.2018
in thousands of euros	Activity	Net sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	3 849	1 833	150 450	22 272	49%
Manitou Finance Ltd.	Financing	5 621	2 881	177 345	14 482	49%
Hangzhou Manitou Machinery Equipment	Production	1 461	32	2 744	1 107	50%

						31.12.2017
in thousands of euros	Activity	Net sales	Net income	Balance sheet total	Net assets	Share held
Manitou Finance France SAS	Financing	3 805	2 362	153 667	24 518	49%
Manitou Finance Ltd.	Financing	6 357	3 422	134 583	17 905	49%
Hangzhou Manitou Machinery Equipment	Production	3 455	-775	2 283	1 085	50%

NOTE 10 FINANCIAL INSTRUMENTS

NOTE 10.1. RECONCILIATION OF BALANCE SHEET LINE ITEMS - ASSETS

in thousands of euros		Financial assets at fair value through other elements of the income statement	Financial assets valued at amortised cost	Financial assets at fair value through income	31.12.2018 Balance sheet total
Non-current financial assets	Note 10.2	3 620	85	5 003	8 708
Current financial assets	Note 10.3		18	4 394	4 412
Cash and cash equivalents	Note 10.4			27 623	27 623
Sales financing receivables - non-current portion	Note 13		8 210		8 210
Other non-current assets			375		375
Accounts receivable	Note 12		361 685		361 685
Sales financing receivables - current portion	Note 13		2 487		2 487
Other current receivables	Note 15		41 538		41 538
TOTAL		**3 620**	**414 398**	**37 020**	**455 038**

in thousands of euros		Financial assets at fair value through other elements of the income statement	Financial assets valued at amortised cost	Financial assets at fair value through income	31.12.2017 Balance sheet total
Non-current financial assets	Note 10.2	3 582	51	2 024	5 657
Current financial assets	Note 10.3		23	2 731	2 754
Cash and cash equivalents	Note 10.4			39 570	39 570
Sales financing receivables - non-current portion	Note 13		3 840		3 840
Other non-current assets			348		348
Accounts receivable	Note 12		324 593		324 593
Sales financing receivables - current portion	Note 13		1 713		1 713
Other current receivables	Note 15		32 348		32 348
TOTAL		**3 582**	**362 916**	**44 325**	**410 823**

The financial assets are valued using internal valuation techniques (level 2) (see Note 1.15) with the exception of certain cash equivalents (Note 10.4) valued according to quoted market prices in an active market (level 1).

NOTE 10.2. NON-CURRENT FINANCIAL ASSETS

in thousands of euros	31.12.2017	Change	Fair value	Recycling	Currency translation differences	Changes in scope	Other.	31.12.2018
Financial assets at fair value through other elements of the income statement (1)	3 582	95	-220	0	163	0	0	3 620
Derivatives	0	0	0	0	0	0	0	0
Other non-current financial assets	2 075	78	0	2 879	55	0	0	5 088
TOTAL	**5 657**	**173**	**-220**	**2 879**	**219**	**0**	**0**	**8 708**

(1) of which €3 565K relating to the SERP of the American subsidiary (Note 19.1)

NOTE 10.3. CURRENT FINANCIAL ASSETS

Marketable securities were valued at their fair value on the reporting date:

in thousands of euros	31.12.2017	Net amount 31.12.2018
Financial assets at fair value through other elements of the income statement	3	3
Derivatives	1 945	3 688
Financial assets valued at amortised cost	23	18
Other current financial assets	781	704
TOTAL	**2 754**	**4 412**

NOTE 10.4. CASH AND CASH EQUIVALENTS

in thousands of euros	31.12.2017	Net amount 31.12.2018
Cash and cash equivalents	35 657	24 586
Term deposits and others	3 913	3 037
Money-market funds (SICAV) & others	0	0
TOTAL	**39 570**	**27 623**

NOTE 10.5. RECONCILIATION OF BALANCE SHEET LINE ITEMS – LIABILITIES

The various categories of financial liabilities on the reporting date are as follows. They are set out in Note 10.6 below.

in thousands of euros		31.12.2017	31.12.2018
Non-current financial liabilities	Note 10.6	47 899	38 477
Other non-current liabilities		2 677	3 101
Current financial liabilities	Note 10.6	70 402	141 658
Accounts payable	Note 20	260 063	292 715
Other current liabilities	Note 20	118 402	148 640
TOTAL		**499 443**	**624 592**

The financial liabilities are valued using internal valuation techniques (level 2), see Note 1.15.

NOTE 10.6. NET DEBT

The group's net debt is as follows:

		31.12.2017	31.12.2018
Total current financial liabilities	Note 10.6	70 402	141 658
Total non-current financial liabilities	Note 10.6	47 899	38 477
Total gross debt		118 301	180 135
Cash and cash equivalents	Note 10.4	-39 570	-27 623
Current financial assets	Note 10.3	-2 754	-4 412
TOTAL NET DEBT		**75 977**	**148 100**

The valuation and accounting principles for financial liabilities are set out in Note 1.14.

in thousands of euros		31.12.2017	31.12.2018 Current
Short-term financing and bank overdrafts		5 435	28 123
Bank loans		47 108	86 384
Financing lease liabilities		196	259
Liabilities related to receivables securitised with recourse	Note 13	0	0
Derivative liabilities - currency and interest rates		2 103	5 200
Bond issues		6 972	12 455
Other borrowings		8 118	8 780
Commitments to buy back minority interests		470	457
TOTAL CURRENT FINANCIAL LIABILITIES		**70 402**	**141 658**

in thousands of euros		31.12.2017	31.12.2018 Non-current	1 to 5 years	Over 5 years
Bank loans		6 569	4 664	4 128	536
Financing lease liabilities		141	355	355	0
Liabilities related to receivables securitised with recourse	Note 13	0	0	0	0
Liabilities related to interest rate derivatives		0	0	0	0
Bond issues		37 211	24 841	24 841	0
Other borrowings		3 978	7 363	7 363	0
Commitments to buy back minority interests			1 255	1 255	
TOTAL NON-CURRENT FINANCIAL LIABILITIES		**47 899**	**38 477**	**37 941**	**536**

The group covers the majority of its financing needs through bank financing (medium-term loans or bank overdrafts). Nevertheless, in 2012 it began to diversify by issuing three bonds in 2012, 2013 and 2015, bringing the disintermediated debt to a total of €37m at 31 December 2018. The 2012 bond expired in 2018 and was repaid for an amount of €7m. In addition, the parent company's bank financing agreement had been renegotiated and extended in December 2016 for a period of five years, plus two possible one-year extensions, which were activated taking the expiry date of the financing to December 2023.

NOTE 10.6.1. CHARACTERISTICS OF THE MAIN BANK LOANS

in thousands of euros	31.12.2018 Current	Non-current	Currency	Due date	Effective rate
Revolving	84 224		euros	variable	/
BPI [1]	429	2 138	euros	Q2/2021	2.82%
BPI [2]	600	1 197	euros	Q2/2024	4.41%
Other	633	1 291	AUD	Q4/2022	4.30%

in thousands of euros	31.12.2017 Current	Non-current	Currency	Due date	Effective rate
Revolving	44 151		euros	variable	-/
BPI [1]	461	2 565	euros	Q2/2021	2.82%
BPI [2]	767	1 796	euros	Q2/2024	4.41%
Other	1 138	2 201	AUD	Q4/2022	4.30%

In December 2016, Manitou renegotiated and extended its financing put in place in 2013. The new multicurrency RCF (Revolving Credit Facility) stands at €180 million with a maturity of five years, plus a possible two-year extension, which was activated and takes the expiry date of the financing to December 2023.

The agreement includes clauses for ratios (covenants) of "material adverse change" and for "cross default", which may limit the potential use of or affect the terms of credit lines. It includes "negative pledge" clauses accompanied by thresholds and exemptions.

Facility	Signatories	Main contractual clauses H2 2016 to H2 2023
Revolving Facility	Manitou BF	Gearing < 1 Leverage < 3.5 except in certain cases Cap on investments Cap on acquisitions and disposals of assets Limits on additional debt Clause on changes in control Dividends are limited to 100% of net income

** definition in paragraph 7.7 of this document*

NOTE 10.6.2. CHARACTERISTICS OF THE BANK LOANS

in thousands of euros	31.12.2018 Current	Non-current	Currency	Due date	Effective rate
Bond issue 2013 - 2019	12 455		euros	Q4/2019	5.35%
Bond issue 2015 - 2022		24 841	euros	Q3/2022	4.00%

The bonds will be repaid *in fine* respectively in the 4th quarter of 2019 and the 3rd quarter of 2022.

NOTE 10.6.3. OUTSTANDING LIABILITY TO FINANCIAL INSTITUTIONS

The portion of outstanding liability to financial institutions is broken down as follows:

in thousands of euros	31.12.2017 Authorised outstanding liability	31.12.2017 Outstanding liability used	31.12.2018 Authorised outstanding liability	31.12.2018 Outstanding liability used
Short-term financing and bank overdrafts	62 000	5 435	67 000	28 123
Financing lease liabilities	337	337	614	614
OTHER BANK LOANS				
- Amortisable term loans	5 589	5 589	4 364	4 364
- Revolving loan facilities	180 000	44 150	180 000	84 224

NOTE 10.6.4. CASH/NON-CASH CHANGES IN FINANCIAL ITEMS

				"Non-cash" flow				
		31.12.2017	**Cash flow**	**Change in scope**	**Currency translation differences**	**Fair value**	**Others & Reclass**	**31.12.2018**
Bank loans - current	A	47 108	39 326		-50			86 384
Bank loans - non-current	B	6 569	-1 808		-97			4 664
Financing lease liabilities - current	A	196	48		6		9	259
Financing lease liabilities - non-current	B	141	127		8		79	355
Bond issues - non-current	B	37 211	85				-12 455	24 841
Bond issues - current	A	6 972	-6 972				12 455	12 455
CHANGE IN FINANCIAL LIABILITIES		**98 197**	**30 805**	**0**	**-133**		**88**	**128 957**
Other loans - non-current	B	3 978	3 977		-592		1 255	8 618
Other loans - current	A	8 118	759		-611		514	8 780
Derivative liabilities - currency and interest rates - current	A	2 103	-116			3 213		5 200
Derivative assets - currency and interest rates - current		-1 945				-1 743		-3 688
Shareholder agreements and stock option plan liabilities (cash-settled) - current	A	470					-13	457
Shareholder agreements and stock option plan liabilities (cash-settled) - non-current	B		10		-373	363		
CHANGE IN OTHER ITEMS		**12 725**	**4 636**	**0**	**-1 577**	**1 833**	**1 756**	**19 366**
Reconciliation with current and non-current financial liabilities (Note 10.5)								
Short-term financing and bank overdrafts	A	5 435	22 654	0	33			28 123
TOTAL CURRENT FINANCIAL LIABILITIES	**A**	**70 402**	**55 699**	**0**	**-622**	**3 213**	**12 965**	**141 658**
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**B**	**47 899**	**2 390**	**0**	**-1 054**	**363**	**-11 121**	**38 477**

NOTE 10.7. DERIVATIVES

In order to secure a maximum level of financial costs, the group has set up, in line with the new financing agreement, interest rate caps and floors. These derivatives are described as future cash flow hedging instruments. They are considered highly effective at 31 December 2018.

The characteristics of the caps and floors at 31 December 2018 are as follows:

CAP

	in millions of euros	**Average rate of CAP**	**Notional**	**Fair value at 31.12.2018**
Less than one year				
1 to 2 years	Q4 2021	0.50%	50	0
2 to 5 years	Q4 2022	1.00%	12.5	0

COLLAR

	in millions of euros	**Average rate of COLLARS**	**Notional**	**Fair value at 31.12.2018**
Less than one year				
1 to 2 years				
2 to 5 years	Q4 2022	0.548%	37.5	0
2 to 5 years	Q4 2023	0.75%	12.5	0

At 31 December 2018, the group also holds forward sale contracts for currencies designed to cover future GBP, AUD, RUB and ZAR cash flows in euro for an amount of €201.3m. The group also holds forward purchase contracts for currencies designed to cover future PLN cash flows into euro for an amount of €0.95m.

These hedges are considered effective within the meaning of IFRS. The change in fair value of these instruments is therefore recorded in the balance sheet liabilities for €5.2m, in the balance sheet assets for €3.7m with shareholders' equity as offset for -€0.9m, with the valuation of forward points being recorded under financial income for -€0.1m and -€0.04m under operating income.

NOTE 10.8. ANALYSIS OF SENSITIVITY TO EXCHANGE RATE CHANGES

The sensitivity analysis was performed based on receivables, liabilities, net cash position and financial assets available for sale at 31 December 2018 for the main currencies used by the group as part of its operating activities.

Sensitivity means a fluctuation in the currencies concerned of more than 5% above their closing rate.

31.12.2018 in thousands of euros	AUD/ EUR +5%	GBP/ EUR +5%	USD/ EUR +5%	ZAR/ EUR +5%	SGD/ EUR +5%	RUB/ EUR +5%	BRL/ EUR +5%	INR/ EUR +5%
Receivables and debts denominated in a foreign currency Breakdown by operational currency								
EUROS								
Receivables (AUD, GBP, USD, ZAR, RUB, BRL)	791	1 730	1 159	486	0	0	266	0
Debts (AUD, GBP, USD)	-1	-130	-8	0	0	0	-1	0
Net cash and cash equivalents (AUD, GBP, USD, SGD, RUB)	29	257	3 593	0	180	0	0	0
SUB-TOTAL	**818**	**1 857**	**4 744**	**487**	**180**	**0**	**265**	**0**
AUD								
Receivables (euros)	-7							
Debts (euros)	0							
Cash and cash equivalents (euros)	-108							
SUB-TOTAL	**-115**							
GBP								
Receivables (euros)		-144						
Debts (euros)		3						
Cash and cash equivalents (euros)		-117						
SUB-TOTAL		**-259**						
USD								
Receivables (euros)			-713					
Debts (euros)			137					
Cash and cash equivalents (euros)			-98					
SUB-TOTAL			**-674**					
ZAR								
Receivables (euros)				0				
Debts (euros)				4				
Cash and cash equivalents (euros)				0				
SUB-TOTAL				**4**				
SGD								
Receivables (euros)					-159			
Debts (euros)					250			
Cash and cash equivalents (euros)					-174			
SUB-TOTAL					**-83**			
RUB								
Receivables (euros)						-131		
Debts (euros)						148		
Cash and cash equivalents (euros)						0		
SUB-TOTAL						**16**		

31.12.2018 in thousands of euros	AUD/ EUR +5%	GBP/ EUR +5%	USD/ EUR +5%	ZAR/ EUR +5%	SGD/ EUR +5%	RUB/ EUR +5%	BRL/ EUR +5%	INR/ EUR +5%
BRL								
Receivables (euros)							0	
Debts (euros)							0	
Cash and cash equivalents (euros)							-452	
SUB-TOTAL							**-452**	
INR								
Receivables (euros)								-5
Debts (euros)								18
Cash and cash equivalents (euros)								0
SUB-TOTAL								**13**
TOTAL	**704**	**1 598**	**4 070**	**490**	**97**	**16**	**-187**	**13**

FINANCIAL RISK MANAGEMENT

Information on financial risk management is developed in paragraph 3.2 of the management report.

NOTE 11 INVENTORIES

in thousands of euros	31.12.2017	First IFRS 15 application	Change in scope	Reclassification	Changes	Currency translation differences	Gross amount 31.12.2018
Raw materials	132 301			0	54 834	2 044	189 178
Work in progress	35 241				5 652	70	40 964
Finished products	189 074	2 993		98	46 921	-1 433	237 653
Merchandise	114 832	258		4 369	7 017	644	127 119
TOTAL	**471 448**	**3 251**	**0**	**4 467**	**114 424**	**1 324**	**594 915**

in thousands of euros	31.12.2017	First IFRS 15 application	Change in scope	Reclassification	Changes	Currency translation differences	Provision 31.12.2018
Raw materials	-5 496				-67	-46	-5 611
Work in progress	0			0	-43	2	-41
Finished products	-3 590			67	-436	-2	-3 961
Merchandise	-10 961			-67	518	-152	-10 663
TOTAL	**-20 048**	**0**	**0**	**0**	**-28**	**-198**	**-20 275**

in thousands of euros	31.12.2017	First IFRS 15 application	Change in scope	Reclassification	Changes	Currency translation differences	Net amount 31.12.2018
Raw materials	126 805				54 766	1 997	183 568
Work in progress	35 241				5 609	72	40 922
Finished products	185 484	2 993		165	46 486	-1 435	233 693
Merchandise	103 871	258		4 302	7 535	491	116 457
TOTAL	**451 400**	**3 251**	**0**	**4 467**	**114 396**	**1 126**	**574 640**

The reclassifications mainly concern leased-out and capitalised equipment which is transferred to the inventory at the end of the lease to be sold as used equipment.

NOTE 12 TRADE RECEIVABLES

in thousands of euros		31.12.2017	Change in scope	Reclassification	Changes	Currency translation differences	31.12.2018
CURRENT							
Trade receivables - gross		330 700		-136	34 433	1 570	366 567
Trade receivables - impairment	Note 14	-6 107		136	1 115	-27	-4 883
Trade receivables - net		324 593		0	35 548	1 543	361 685
NON-CURRENT							
Trade receivables - gross		0					0
Trade receivables - impairment	Note 14	0					0
Trade receivables - net		0					0
TOTAL		**324 593**		**0**	**35 548**	**1 543**	**361 685**

The group generally uses credit insurance or factoring to protect its trade receivables. In certain cases, based on the group's knowledge of the customer, the amount due from a given customer may be higher than the amount covered.

In the American market and in accordance with sector practices, Manitou North America has stock financing agreements, known as floor plans, with its distributors for periods of up to 24 months. Under these floor plans, the distributors must make payment for the machines as soon as they are sold to the end-customer and no later than on conclusion of the stock financing agreement.

Past-due receivables are monitored on an individual basis. The impairment criteria are essentially assessed on a customer-by-customer basis according to the age of the receivables. Each entity performs this analysis according to the specific characteristics of its markets.

Amounts recorded in respect of the raising and reversal of impairment provisions on trade receivables are recorded in "Selling, marketing and service expenses".

Losses on trade receivables amounted to €0.8m for the 2018 financial year and were also recorded in the "Selling, marketing and service expenses" line item of the income statement. These losses are covered by a reversal of impairment.

NOTE 13 SALES FINANCING RECEIVABLES

Receivables related to financing granted to end customers are reported on this line item. These receivables concern either sales made via financing leases or, in the case of Manitou North America, the sales financing to end customers.

in thousands of euros		31.12.2017	Change in scope	Other	Changes	Currency translation differences	31.12.2018
GROSS							
Receivables on financing leases		5 554	0	0	5 999	-856	10 697
Receivables on financing granted to end customers		752	0	0	-253	28	527
RECEIVABLES ON SALES FINANCING – GROSS		**6 306**	**0**	**0**	**5 746**	**-828**	**11 224**
IMPAIRMENT							
Receivables on financing leases	Note 14	0	0	0		0	
Receivables on financing granted to end customers	Note 14	-752	0	0	253	-28	-527
RECEIVABLES ON SALES FINANCING – IMPAIRMENT		**-752**	**0**	**0**	**253**	**-28**	**-527**
NET							
Receivables on financing leases		5 554	0	0	5 999	-856	10 697
Receivables on financing granted to end customers			0	0			
RECEIVABLES ON SALES FINANCING – NET		**5 554**	**0**	**0**	**5999**	**-856**	**10 697**
Of which							
Non-current portion		3 840	0	0	5 005	-635	8 210
Current portion		1 713	0	0	994	-221	2 487

Impairment is calculated based on historical statistical data for trade receivables not analysed in unitary terms.

The losses recorded over the 2018 financial year for sales financing receivables amounted to €0.3m, partially covered by reversals of impairment.

The schedule of non-current sales financing receivables is as follows:

in thousands of euros	31.12.2018	1 to 2 years	3 to 5 years	Over 5 years
Receivables on financing leases – Net	8 210	2 529	5 681	0
Receivables on financing granted to end customers – Net				
SALES FINANCING RECEIVABLES – NON-CURRENT PORTION	**8 210**	**2 529**	**5 681**	**0**

NOTE 14 FINANCIAL ASSETS – ANALYSIS OF OVERDUE RECEIVABLES AND IMPAIRMENT

NOTE 14.1. ANALYSIS OF OVERDUE RECEIVABLES AND ASSOCIATED IMPAIRMENT

						31.12.2018
in thousands of euros	Not due	Due <30 days	Due 31 - 90 days	Due 91 - 120 days	Due +120 days	Total
Trade receivables	320 002	28 902	10 752	1 186	5 726	366 567
Trade receivables impairment	-274	-92	-171	-29	-4 316	-4 883
TRADE RECEIVABLES – NET	**319 727**	**28 811**	**10 580**	**1 157**	**1 410**	**361 685**
Receivables on financing granted to end customers					527	527
Impairment of receivables on financing granted to end customers					-527	-527
RECEIVABLES ON FINANCING GRANTED TO END CUSTOMERS – NET						
Receivables on financing leases	2 487					2 487
Impairment on receivables on financing leases						
RECEIVABLES ON FINANCING LEASES – NET	**2 487**					**2 487**
TOTAL	**322 214**	**28 811**	**10 580**	**1 157**	**1 410**	**364 172**

NOTE 14.2. CHANGES IN IMPAIRMENTS ON FINANCIAL ASSETS

in thousands of euros	31.12.2017	Increases	Reversal used	Reversal unused	Reclassifications & others	Currency translation differences	31.12.2018
Trade receivables impairment	-6 107	-349	682	781		-27	-4 883
Impairment of receivables on financing granted to end customers	-752		245	8		-28	-527
Of which							
Current	-752		245	8		-28	-527
Non-current							

NOTE 15 OTHER CURRENT RECEIVABLES

in thousands of euros	31.12.2017	Change in scope	Other	Changes	Currency translation differences	31.12.2018
Tax and social security receivables	15 910			7 476	-260	23 126
Other receivables	3 912			-389	-32	3 491
Advances and payments on account in respect of orders	3 591			936	-185	4 342
Prepaid expenses	8 935			1 659	-16	10 578
TOTAL	**32 348**			**9 683**	**-493**	**41 538**

NOTE 16 SHAREHOLDERS' EQUITY

NOTE 16.1. SHARE CAPITAL

The share capital consists of 39,668,399 shares at 31 December 2018.

NOTE 16.2. DIVIDEND DISTRIBUTION PROPOSAL

The Board of Directors will propose a dividend payment of €0.78 per share to the Shareholders' Meeting called to approve the 2018 financial statements.

NOTE 16.3. TREASURY SHARES

Number of shares	Transactions as at 31.12.2017	% of capital	Transactions as at 31.12.2018	% of capital
HELD AT OPENING (SHARE REPURCHASE PROGRAMME)	**1 381 461**		**1 381 461**	
Shares purchased				
Shares sold				
Stock options exercised				
HELD AT CLOSING (SHARE REPURCHASE PROGRAMME)	**1 381 461**	**3.49%**	**1 381 461**	**3.48%**
Stock option coverage				
Liquidity contract	27 458		27 458	
TOTAL TREASURY SHARES HELD	**1 408 919**	**3.56%**	**1 408 919**	**3.55%**

The cost of the shares purchased, in addition to the proceeds from the shares sold, were recorded respectively as a reduction or increase in shareholders' equity.

Treasury shares do not have dividend rights.

NOTE 17 SHARE-BASED COMPENSATION

In return for services rendered, the group is likely to grant certain members of personnel equity-settled or cash-settled share-based plans. The group then records its commitment as services are rendered by the beneficiaries, from the grant date to the date the rights are acquired.

NOTE 17.1. SUBSCRIPTION OPTIONS PLAN

No new plan has been granted for the 2018 financial year

CHARACTERISTICS OF THE EXISTING PLANS

The main characteristics of the plans for purchase of shares by certain employees and grants of free shares are as follows:

Characteristic stock options	Type of plan	Date of maturity	Expiry date of the plan	Number of beneficiaries (original)	Average exercise price (in €)	Number of shares per plan
Plan of 19.05.2010	Subscription	20.05.2014	19.05.2018	43	13.60	314 200
TOTAL NUMBER OF OPTIONS GRANTED						**314 200**
Options delisted - cancelled						-193 625
Options exercised						-120 575
TOTAL NUMBER OF OPTIONS STILL VALID						**0**

CHANGE IN THE NUMBER OF OPTIONS STILL VALID

in units	Options outstanding as at 31.12.2017	Options granted	Options exercised	Options delisted	Options outstanding as at 31.12.2018
Plan of 19.05.2010	54 076		-46 801	-7 275	0
TOTAL	**54 076**		**-46 801**	**-7 275**	**0**

NOTE 17.2. ALLOCATION OF PHANTOM SHARES

From 1 January 2018, the President and CEO has a Phantom Shares plan whereby an annual bonus is paid, the amount of which will be based on the Manitou share value for the periods from 2018 to 2021. This bonus is subject to performance and attendance conditions.

For the 2018 financial year, the number of Phantom Shares allocated is 15 500 representing a gross bonus of €372K to be paid in cash in 2019, subject to the approval of the Shareholders' Meeting. The value of the bonus in the consolidated financial statements is based on the Manitou stock price.

NOTE 17.3. CHARGE RELATING TO SHARE-BASED COMPENSATION

In the consolidated financial statements, the benefit given to the beneficiaries under the plans explained above is recorded as an expense.

The amounts are presented below:

Plan (in thousands of euros)	2017 expenses	2018 expenses
Subscription option plan		
Phantom shares		372
Other		
TOTAL	**0**	**372**

NOTE 18 PROVISIONS

NOTE 18.1. BREAKDOWN OF PROVISIONS

in thousands of euros		31.12.2018	Of which, less than one year	Of which, more than one year
Warranty provisions		16 244	12 295	3 950
Provisions for other risks		6 312	2 540	3 772
SUBTOTAL		**22 557**	**14 835**	**7 722**
Provisions for employee benefits	Note 19	37 897	251	37 646
TOTAL		**60 453**	**15 086**	**45 368**

in thousands of euros		31.12.2017	Of which, less than one year	Of which, more than one year
Warranty provisions		15 131	11 038	4 093
Provisions for other risks		5 818	2 237	3 581
SUBTOTAL		**20 949**	**13 275**	**7 674**
Provisions for employee benefits	Note 19	39 793	227	39 566
TOTAL		**60 742**	**13 502**	**47 240**

NOTE 18.2. CHANGES IN PROVISIONS – EXCLUDING EMPLOYEE BENEFITS

in thousands of euros	31.12.2017	Increases	Provision reversed (used)	Provision reversed (unused)	Change in scope	Reclassification	Currency translation differences	31.12.2018
Warranty provisions	15 131	7 929	-4 181	-2 678			44	16 244
Provisions for other risks	5 818	2 689	-1 942	-274		-50	71	6 312
TOTAL	**20 949**	**10 618**	**-6 123**	**-2 953**		**-50**	**115**	**22 557**

WARRANTY

Amounts recorded when creating or reversing provisions for warranties are included in "Cost of goods and services sold" within the income statement, as are the actual warranty expenses. This line also includes provisions established to cover equipment recall campaigns following supplier quality incidents.

OTHER RISKS

Other risks mainly concern commercial, employee or tax litigation. Provisions recorded correspond to the group's and its advisers' best estimates at the closing date of the risks incurred with respect to the litigation in process.

NOTE 19 EMPLOYEE BENEFITS

NOTE 19.1. DEFINITION

The defined benefit schemes that result in the recognition of a provision relate to:

- employee indemnities related to retirement or contract completion,
- other long-term benefits such as long service awards,
- pension schemes and other retirement benefits for certain employees,
- a supplementary pension scheme for certain management employees in the USA,
- medical insurance and post-employment life insurance.

These defined benefit plans are most often covered by funds disbursed to insurance companies, which are valued at their fair value at period-end.

The amount of such funds is deducted from the liability assessed in accordance with IAS 19 (Revised).

The characteristics of the main schemes are as follows:

UNITED STATES – PENSION PLAN B

Description: a "qualified" post-employment benefits plan which was closed to new members as of 1 May 2005 and frozen in terms of the acquisition of rights for all participants as of 3 October 2009. The benefits attributed are the greater of 1% of final salary multiplied by the number of years of service (capped at 35 years) or $22 per year of service.

Plan risks: investment risk, life expectancy risk and interest rate risk.

Investment strategy: a combination of 60% in equities and the remainder in fixed-income instruments. The aim of this strategy is to grow the plan assets faster than its liabilities and to fund the minimum contribution in accordance with US law (ERISA and the Internal Revenue Code).

UNITED STATES – SERP

Description: a "non-qualified" post-employment benefits plan including a limited number of designated beneficiaries on the basis of individual agreements. One active employee is currently in the plan; all the other beneficiaries are former employees. The benefits granted under this plan are calculated based on a percentage of final average earnings.

Plan risks: interest rate risk and life expectancy risk.

Investment strategy: although not considered as plan assets, the plan is funded via a Rabbi trust.

UNITED KINGDOM – PENSION

Description: final salary-based scheme, frozen to new entrants and to the acquisition of new rights.

Plan risks: investment risk, life expectancy risk and market risk.

Investment strategy: a combination of 50% in a diversified fund, 25% in non-indexed government bonds and the remainder in corporate bonds denominated in GBP. The aim of this strategy is to provide a return sufficient to cover the future liabilities of members while maintaining a certain level of low-risk assets to cover pensions due in the short term.

FRANCE – RETIREMENT INDEMNITY

Description: amount paid at the time of retirement calculated based on years of service and final salary. This plan complies with legal requirements.

Plan risks: volatility of the benefit disbursement amounts depending on the effective retirement date.

Investment strategy: insurance contract making the funds invested immediately available. Assets characterised by the low volatility of their yield.

ITALY – SEVERANCE PAY

Description: amount paid at the time of retirement calculated based on years of service and final salary. This plan complies with legal requirements and has been frozen since 2007.

Plan risks: volatility of the benefit disbursement amounts depending on the effective departure date of employees hired before 2007.

Investment strategy: no assets.

NOTE 19.2. VALUATION

NOTE 19.2.1. KEY ACTUARIAL ASSUMPTIONS USED

					31.12.2018
	France	United Kingdom	Italy	United States of America	India
Salary trends	4.00%	n/a	n/a	n/a	9.00%
Pension increases	n/a	5.00%	n/a	n/a	n/a
Financial discount rate	1.80%	2.70%	1.80%	4.10%	7.40%

				31.12.2017
	France	United Kingdom	Italy	United States of America
Salary trends	4.00%	n/a	n/a	5.00%
Pension increases	n/a	5.00%	n/a	n/a
Financial discount rate	1.80%	2.40%	1.80%	3.45%

A change of -0.5% in the discount rate would have the following impact on the actuarial debt (DBO) and the cost of an additional year (SC):

in thousands of euros	DBO	SC
Europe (incl. France)	2 406	218
United Kingdom	1 666	
United States of America	2 397	8
India	47	5
TOTAL	**6 516**	**231**

Salary increases are assumed for each country as the sum of inflation assumptions and forecasts of individual increases.

The turnover and mortality rates reflect the specific characteristics of each country and each company. The turnover rate used varies according to the age and status of the individuals concerned. As at 31 December 2018, the use of the RP-2018 mortality table published by the SOA (Society of Actuaries) in October 2018 to calculate commitments in the United States, generated a loss reported in other comprehensive income as an amount of €0.1m after tax.

The rate used to discount liabilities is determined with reference to a market rate on the reporting date based on top-quality corporate bonds.

The healthcare inflation rate used was 6.25% as at 31 December 2018. A change of 1% in healthcare inflation would have an impact on the actuarial liability (DBO) of +€0.1m and would have zero impact on the cost of an additional year (SC).

The calculation of retirement benefits in France is based on voluntary departure by the employee, which implies that the commitment includes social security charges. The rates used for social security charges in assessing the commitment for 2018 are between 40% and 58%, depending on the entities and the occupational categories concerned.

The retirement age used to calculate retirement benefits and supplementary pension was determined in compliance with the applicable legislation in the countries concerned.

NOTE 19.2.2. BREAKDOWN OF PLAN ASSETS (as a%)

The breakdown of plan assets as at 31 December 2018 was as follows:

			31.12.2018
	France	United Kingdom	United States of America
Shares	13%	8.82%	26.95%
Bonds	78%	21.77%	10.13%
Other	9%	69.40%	62.92%
TOTAL	**100.00%**	**100.00%**	**100.00%**

			31.12.2017
	France	United Kingdom	United States of America
Shares	13%	10.43%	50.10%
Bonds	78%	14.89%	18.72%
Other	9%	74.68%	31.18%
TOTAL	**100.00%**	**100.00%**	**100.00%**

NOTE 19.2.3. RECONCILIATION OF BALANCE SHEET LINE ITEMS

The provision is broken down by country as follows:

						31.12.2018
in thousands of euros	France Retirement Indemnities	France Other	United Kingdom	United States of America	Other	Total
Current value of the obligation	25 195	1 118	15 180	50 260	2 994	94 746
Fair value of the financial assets	4 052		18 015	36 754	865	59 686
(Provisions) net assets recognised in the balance sheet	-21 143	-1 118	2 835	-13 506	-2 129	-35 060
				Of which:	Provision	-37 897
					Assets	2 835

						31.12.2017
in thousands of euros	France Retirement Indemnities	France Other	United Kingdom	United States of America	Other	Total
Current value of the obligation	23 571	1 073	16 205	53 249	1 902	96 000
Fair value of the financial assets	4 516		16 014	35 678		56 208
(Provisions) net assets recognised in the balance sheet	-19 055	-1 073	-191	-17 571	-1 902	-39 792
				Of which:	Provision	-39 792
					Assets	0

NOTE 19.2.4. CHANGE IN COMMITMENTS AND PLAN ASSETS DURING THE YEAR

					31.12.2018
in thousands of euros	**France**	**United Kingdom**	**United States of America**	**Other**	**Total**
COMMITMENT					
BEGINNING OF PERIOD	**24 644**	**16 206**	**53 251**	**1 901**	**96 001**
Service costs	1 874		74	143	2 091
Discounting	475	385	1 801	243	2 904
Benefits paid	-201	-673	-4 281	-256	-5 411
Actuarial differences recognised in income statement					0
Liquidation/reduction and other					0
Past service costs					0
Additions to the scope of consolidation					0
Actuarial losses (gains) – experience and demographic assumptions	-481	3	-238	998	282
Actuarial losses (gains) – financial assumptions		-1 005	-3 113	1	-4 116
Other costs		385	412	89	886
Exchange rate adjustment		-122	2 356	-126	2 109
END OF PERIOD	**26 311**	**15 180**	**50 261**	**2 993**	**94 746**
PLAN ASSETS					
BEGINNING OF PERIOD	**4 516**	**16 014**	**35 678**	**0**	**56 208**
Employer contributions		3 012	3 853		6 865
Benefits paid	-151	-673	-3 960		-4 783
Expected return on assets	80	385	1 216		1 681
Difference - Expected return/actual return on assets	-393	-570	-1 706	865	-1 804
Additions to the scope of consolidation					0
Liquidations					0
Other					0
Exchange rate adjustment		-154	1 673		1 519
END OF PERIOD	**4 052**	**18 015**	**36 754**	**865**	**59 686**
RECONCILIATION OF THE PROVISION					
BEGINNING OF PERIOD	**-20 128**	**-191**	**-17 573**	**-1 901**	**-39 792**
Expense for the year	-2 269	-385	-1 070	-475	-4 200
Employer contribution		3 012	3 853		6 865
Benefits paid	50		322	256	628
SORIE	88	432	1 644	-134	2 030
Additions to the scope of consolidation					0
Other					0
Exchange rate adjustment		-32	-683	126	-590
END OF PERIOD	**-22 259**	**2 835**	**-13 507**	**-2,128**	**-35 058**

					31.12.2017
in thousands of euros	France	United Kingdom	United States of America	Other	Total
COMMITMENT					
BEGINNING OF PERIOD	**22 964**	**19 349**	**60 679**	**959**	**103 950**
Service costs	1 702		67		1 769
Discounting	440	488	2 107	34	3 069
Benefits paid	-864	-509	-4 382	-38	-5 793
Actuarial differences recognised in income statement					0
Liquidation/reduction					0
Past service costs					0
Additions to the scope of consolidation				942	942
Actuarial losses (gains) – experience and demographic assumptions	76	-3 664	-757		-4 345
Actuarial losses (gains) – financial assumptions	326	955	2 252	4	3 537
Other		235	623		858
Exchange rate adjustment		-648	-7 338		-7 986
END OF PERIOD	**24 644**	**16 206**	**53 251**	**1 901**	**96 001**
PLAN ASSETS					
BEGINNING OF PERIOD	**5 176**	**15 512**	**36 777**	**0**	**57 465**
Employer contributions		570	3 083		3 653
Benefits paid	-769	-509	-4 223		-5 501
Expected return on assets	90	395	1 285		1 770
Difference - Expected return/actual return on assets	19	601	3 414		4 034
Additions to the scope of consolidation					0
Liquidations					0
Other					0
Exchange rate adjustment		-555	-4 658		-5 213
END OF PERIOD	**4 516**	**16 014**	**35 678**	**0**	**56 208**
RECONCILIATION OF THE PROVISION					
BEGINNING OF PERIOD	**-17 788**	**-3 836**	**-23 902**	**-959**	**-46 485**
Expense for the year	-2 052	-328	-1 512	-34	-3 926
Employer contribution		570	3 083		3 653
Benefits paid	95		159	38	292
SORIE	-383	3 310	1 919	-4	4 842
Additions to the scope of consolidation				-942	-942
Other					0
Exchange rate adjustment		93	2 680		2 773
END OF PERIOD	**-20 128**	**-191**	**-17 573**	**-1 901**	**-39 793**

NOTE 19.2.5. BREAKDOWN OF EXPENSE FOR THE PERIOD

IAS 19 (Revised)					31.12.2018
in thousands of euros	France	United Kingdom	United States of America	Other	Total
Adjustments to methodology					0
Service costs	1 874		74	143	2 091
Discounting	475	385	1 801	243	2 904
Expected return on assets	-80	-385	-1 216	0	-1 681
Losses/gains recognised					0
Administrative expenses		385	412	89	886
NET EXPENSE	**2 269**	**385**	**1 070**	**475**	**4 200**

IAS 19 (Revised)					31.12.2017
in thousands of euros	France	United Kingdom	United States of America	Other	Total
Adjustments to methodology					0
Service costs	1 702		67		1 769
Discounting	440	488	2 107	34	3 069
Expected return on assets	-90	-395	-1 285		-1 770
Losses/gains recognised					0
Administrative expenses		235	623		858
NET EXPENSE	**2 052**	**328**	**1 512**	**34**	**3 926**

NOTE 20 OTHER CURRENT LIABILITIES

in thousands of euros	31.12.2017	Reclassifications	Changes	Currency translation differences	31.12.2018
SUPPLIER ACCOUNTS PAYABLE AND RELATED	**260 063**	**-6**	**31 998**	**660**	**292 715**
Tax and social security liabilities	72 795	819	12 491	13	86 118
Other operating liabilities	34 154	7 584	8 655	-3 475	46 919
Deferred revenues	11 452	1 622	2 168	361	15 603
OTHER LIABILITIES	**118 402**	**10 025**	**23 314**	**-3 101**	**148 640**
TOTAL CURRENT LIABILITIES	**378 465**	**10 019**	**55 312**	**-2 440**	**441 355**

NOTE 21 TAXES

NOTE 21.1. CHANGE IN BALANCE SHEET POSITION

in thousands of euros	31.12.2017	First IFRS 15 application	Result	Payment	Currency translation differences	Other*	31.12.2018
CURRENT TAXES							
Assets	7 384						5 858
Liabilities	4 304						6 457
TOTAL	**3 080**	**0**	**-35 453**	**31 754**	**20**	**0**	**-599**
DEFERRED TAXES							
Assets	16 722						16 588
Liabilities	768						1 144
TOTAL	**15 954**	**2 036**	**-2 649**		**150**	**-45**	**15 444**

** Other changes in current and deferred taxes can be broken down as follows:*

in thousands of euros	2017	2018
Deferred taxes recorded as consolidated reserves – SORIE	-3 780	-448
Deferred taxes recorded as consolidated reserves – Interest rate hedging instrument	-404	295
Other	-162	108
TOTAL	**-4 346**	**-45**

The deferred taxes for entities within the French scope of consolidation include, for long-term differences, the incremental reduction in the tax rate adopted in the French Finance Law 2017 which will decrease it to 28% in 2020, and then to 25% in 2022. As a result of the tax reform adopted in the United States at the end of 2017, the subsidiary's current and deferred taxes include the reduction in the federal tax rate, which decreases from 35% to 21% as of 2018.

NOTE 21.2. INCOME TAXES RECORDED IN THE INCOME STATEMENT

in thousands of euros	2017	2018
CURRENT TAXES	**-28 306**	**-35 453**
Deferred taxes for the period	709	-2 621
Change in deferred tax rate	1 414	50
Impairment losses (-) and capitalisation of unrecognised losses (+)	-1 020	-29
TOTAL DEFERRED TAXES	**1 103**	**-2 649**
TOTAL	**-27 203**	**-38 103**

The tax expense recognised in the income statement comprises:

- current tax expense corresponds to the amount of income tax payable for the period to the different tax authorities. These amounts are calculated based on the tax rates and the tax rules applicable in the countries concerned.
- deferred tax expense is calculated using the method described in Note 1.20.

NOTE 21.3. RECONCILIATION OF THE FRENCH STATUTORY TAX RATE AND THE EFFECTIVE TAX RATE APPLIED TO CONSOLIDATED INCOME

in thousands of euros	2017	2018
Income before taxes on fully consolidated companies	84 862	120 131
Statutory tax rate in France	34.43%	34.43%
THEORETICAL TAX EXPENSE FOR THE FINANCIAL YEAR	**-29 218**	**-41 361**
Other taxes	-4 075	-3 634
Impairment of assets		
Permanent differences	1 599	1 414
Increase/decrease in tax rates (current and deferred)	1 414	50
Tax loss carryforwards capitalised (uncapitalised tax loss carryforwards)	-1 020	-29
Differences in foreign tax rates and other	4 098	5 456
TOTAL - INCOME TAXES	**-27 203**	**-38 103**

The rate used to calculate the theoretical tax rate is the rate applicable to Manitou BF, i.e. the statutory tax rate in France of 34.43%. This rate includes the standard income tax rate of 33.33% and the social contribution rate of 3.3%.

For fully consolidated companies, the main differences in foreign rates concern the following countries:

in thousands of euros	2018
Manitou Italia	2 917
United States of America	1 550
Manitou UK	700
Manitou Vostock	495
Manitou Benelux	298
Other countries	660
TOTAL	**6 620**

NOTE 21.4. BASIS FOR DEFERRED TAXES

Recognised deferred taxes arise from the following temporary differences:

In thousands of euros – Assets/(Liabilities)	Temporary differences as at 31.12.2017	Deferred taxes as at 31.12.2017	Temporary differences as at 31.12.2018	Deferred taxes as at 31.12.2018
Intangible assets	-122	-36	-104	-31
Tangible assets	-29 531	-6 995	-31 618	-7 369
Financing leases	-10 809	-2 031	-11 207	-2 160
Employee benefits	36 333	8 569	33 228	8 042
Provisions	26 791	6 835	33 563	8 498
Inventories & receivables	4 754	2 993	-4 801	973
Miscellaneous	11 535	2 137	10 168	2 656
SUBTOTAL	**38 949**	**11 472**	**29 230**	**10 609**
Tax credits				3 577*
Tax loss carryforwards		4 482*		1 258*
TOTAL		**15 954**		**15 444**

** Manitou Americas*

NOTE 22 BREAKDOWN OF SALES BY TYPE, DIVISION AND REGION

NOTE 22.1. NET SALES BY TYPE AND DIVISION

in thousands of euros	Sales of goods	Sales of services	31.12.2018
MHA – Material Handling and Access	1 294 087		1 294 087
CEP – Compact Equipment Products	313 509		313 509
S&S – Services & Solutions	240 152	35 830	275 982
TOTAL	**1 847 749**	**35 830**	**1 883 578**

in thousands of euros	Sales of goods	Sales of services	31.12.2017
MHA – Material Handling and Access	1 095 217		1 095 217
CEP – Compact Equipment Products	244 029		244 029
S&S – Services & Solutions	222 733	28 989	251 722
TOTAL	**1 561 979**	**28 989**	**1 590 968**

NOTE 22.2. NET SALES BY REGION

in thousands of euros	Sales of goods	Sales of services	31.12.2018
Southern Europe	560 229	18 319	578 548
Northern Europe	749 966	5 838	755 804
Americas	348 858	1 424	350 282
APAM	188 695	10 249	198 944
TOTAL	**1 847 749**	**35 830**	**1 883 578**

in thousands of euros	Sales of goods	Sales of services	31.12.2017
Southern Europe	507 599	15 047	522 646
Northern Europe	598 665	3 267	601 932
Americas	291 409	1 637	293 046
APAM	164 305	9 038	173 343
TOTAL	**1 561 979**	**28 989**	**1 590 968**

The group's customer base is very diverse, with the largest customer representing no more than 2% of total revenue.

NOTE 23 NON-RECURRING OPERATING INCOME AND EXPENSES

in thousands of euros	31.12.2017	31.12.2018
Staff costs associated with restructuring	-669	-525
Negative goodwill	829	
Impairment of intangible assets		-339
Net provisions for risks and contingencies		-464
Other non-recurring income and expenses	-5 126	-1 909
TOTAL	**-4 966**	**-3 237**

In 2018, other non-recurring income and expenses were primarily made up of a loss associated with estimation of the fair value of the shares of HMME held for sale, the legal fees associated with a current patent dispute and restructuring costs.

In 2017, other non-recurring income and expenses primarily comprised costs related to the acquisitions of subsidiaries for the period, in addition to legal costs relating to an ongoing patent dispute.

NOTE 24 STATUTORY AUDITORS' FEES

	DELOITTE & ASSOCIÉS				RSM Ouest & members of the RSM International network				Other				Total	
	Amount		%		Amount		%		Amount		%		Amount	
in thousands of euros	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
AUDIT														
Statutory audits, certification of individual and consolidated financial statements														
Issuer	193	190	33%	32%	193	190	56%	57%					386	380
Fully consolidated subsidiaries	399	396	67%	68%	150	146	44%	43%	30	34	100%	100%	579	576
Services other than certification of financial statements														
Issuer														
Fully consolidated subsidiaries														
SUBTOTAL	**592**	**586**	**100%**	**100%**	**343**	**336**	**100%**	**100%**	**30**	**34**	**100%**	**100%**	**965**	**956**
Other services rendered by the networks for fully consolidated subsidiaries														
TOTAL	**592**	**586**	**100%**	**100%**	**343**	**336**	**100%**	**100%**	**30**	**34**	**100%**	**100%**	**965**	**956**

The company believes that the nature of the information required under Article 222-8 of the General Regulations and Instruction No. 2006-10 of the AMF (*Autorité des marchés financiers*, the French financial markets authority) meets the provisions introduced by Decree No. 2008-1487 of 30 December 2008.

NOTE 25 EXPENSES FROM RECURRING OPERATIONS BY TYPE

in thousands of euros	31.12.2017	31.12.2018
Material purchases	-1 062 943	-1 246 071
Direct and indirect labour	-153 937	-185 709
Depreciation, amortisation and impairment	-27,541	-28 471
Other	-87,971	-109 547
COST OF GOODS AND SERVICES SOLD	**-1 332 391**	**-1 569 798**
External expenses	-59,872	-68 633
Personnel expenses	-97,892	-108 741
Net depreciation/amortisation expenses (non-production)	-5,831	-7 054
Other	317	-12
OTHER EXPENSES FROM RECURRING OPERATIONS	**-163,277**	**-184 440**
EXPENSES FROM RECURRING OPERATIONS BY TYPE	**-1 495 668**	**-1 754 238**

NOTE 26 BREAKDOWN OF RECURRING AND NON-RECURRING PERSONNEL EXPENSES

in thousands of euros	31.12.2017	31.12.2018
Salaries, bonuses and indemnities	-153 665	-175 797
Profit-sharing	-10 783	-11 760
Employee benefits	-5 805	-6 306
Social charges and payroll taxes	-52 965	-60 386
Personnel expenses excluding temporary employees and rebilling	-223 218	-254 249
Temporary employees & other	-28 602	-40 408
TOTAL	**-251 819**	**-294 657**

NOTE 27 OTHER OPERATING INCOME AND EXPENSES

in thousands of euros	31.12.2017	31.12.2018
Disposal of assets	133	46
Other income	1 321	2073
Other expenses	-967	-1 195
Net increase in provisions	1 432	-189
TOTAL	**1 920**	**736**

Other operating income and expenses include product litigation, insurance reimbursements and income related to real estate rentals.

NOTE 28 FINANCIAL RESULT

in thousands of euros	31.12.2017	31.12.2018
Income from investments	2 085	2 421
Interest rate swaps	43	62
Fair value adjustment		
Exchange gains	14 424	22 184
Other financial income	4	31
TOTAL FINANCIAL INCOME	**16 556**	**24 698**
Interest expenses on bank loans and lines of credit	-4 596	-5 005
Interest rate swaps	-558	-555
Exchange losses	-14 891	-23 416
Other financial expenses	-1 983	-1 697
TOTAL FINANCIAL EXPENSES	**-22 027**	**-30 673**
FINANCIAL RESULT	**-5 472**	**-5 974**

The financial result for the period mainly deteriorates following adverse foreign exchange developments.

NOTE 29 RESEARCH AND DEVELOPMENT COSTS

In accordance with IAS 38, all research expenses and the costs of studies and development other than those described in Note 1.7 are expensed in the period in which they are incurred. In 2018, these expenses amounted to €23.9m, compared to €20.8m in 2017.

NOTE 30 OFF-BALANCE SHEET COMMITMENTS

NOTE 30.1. COMMITMENTS GIVEN

in thousands of euros	31.12.2017	31.12.2018
Sureties, deposits and collateral	8 129	8 563
Financial commitments (including forward sales)	130 004	204 320
Equipment repurchase commitments*	2 360	2 048
Other commitments given	57	37
TOTAL	**140 457**	**214 968**

**Equipment repurchase commitments valued at contractually defined repurchase amounts. It should be noted that the market value of this equipment generally exceeds the repurchase value.*

NOTE 30.2. COMMITMENTS RECEIVED

in thousands of euros	31.12.2017	31.12.2018
Financial commitments (including forward purchases)	9 412	956
TOTAL	**9 412**	**956**

NOTE 31 INFORMATION ON RISK MANAGEMENT

The Manitou Group’s risk management policy is set out in Chapter 3 “Risk factors and risk management”.

NOTE 32 HEADCOUNT AT 31 DECEMBER

	2017	2018
Manitou BF SA	1 961	2 183
Manitou Global Services	23	30
CFM - Ile de France	47	50
LMH Solutions	36	38
Manitou Italia Srl.	261	279
Manitou Portugal SA	36	39
Manitou Manutencion Espana SL	17	22
SOUTHERN EUROPE	**2 378**	**2 641**
Manitou UK Ltd.	43	44
Manitou Benelux SA	23	27
MILE	7	9
Manitou Deutschland GmbH	36	40
Manitou Vostok	29	29
Manitou Polska	13	14
Manitou Nordics	6	7
NORTHERN EUROPE	**157**	**170**
Manitou America Holding	828	0
Manitou North America	0	75
Manitou Equipment America	0	920
Manitou Mexico	0	0
Manitou Brasil	20	25
Manitou Chile	0	3
AMERICAS	**851**	**1 023**
Manitou Southern Africa Pty Ltd.	99	96
Manitou Australia Pty Ltd.	18	19
Manitou Asia Pte Ltd.	46	43
Manitou China	21	23
Manitou South Asia	18	20
Manitou Middle East	3	4
Manitou Malaysia MH	9	11
Manitou Equipment India	253	322
Marpoll Pty Ltd (LiftRite Hire and Sales)	47	53
APAM	**514**	**591**
GROUP TOTAL	**3 900**	**4 425**

NOTE 33 RELATED PARTY TRANSACTIONS

NOTE 33.1. TRANSACTIONS WITH GROUP COMPANIES CONSOLIDATED USING THE EQUITY METHOD

	31.12.2017		31.12.2018	
in thousands of euros	**Expenses**	**Income**	**Expenses**	**Income**
Manitou Finance France SAS	1 208	2 265	1 690	1835
Manitou Finance Ltd	1 236	109 361	1 907	156 103
Hangzhou Manitou Machinery Equipment Co Ltd		64	4	122

NOTE 33.2. TRANSACTIONS WITH INDIVIDUALS

	2017			2018		
in thousands of euros	**Interest for 2017**	**Balance at 31 December 2017**	**Purchase price 2017**	**Interest for 2018**	**Balance at 31 December 2018**	**Purchase price 2018**
CURRENT ACCOUNTS WITH ASSOCIATES:						
Mr Marcel Braud	100	6 061		88	6 062	
Ms Jacqueline Himsworth	4	272		4	275	
PURCHASES OF SHARE INVESTMENTS:						
Not applicable						

NOTE 33.3. EXECUTIVE COMPENSATION AND OTHER BENEFITS

Total amount of compensation and benefits in kind paid to executives:

2018							
in thousands of euros	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions and commitments
Non-executive corporate officers	153	509					
Executive corporate officers		1 080					762
Executive Committee members who are not corporate officers	2 516						533

2017							
in thousands of euros	Salaries	Mandates	Additional benefits	Options granted	Value of options granted	Options exercised	Balance sheet provisions and commitments
Non-executive corporate officers	159	470					
Executive corporate officers		811					445
Executive Committee members who are not corporate officers	2 284						802

NOTE 34 BUSINESS COMBINATIONS

NOTE 34.1. CHANGE IN SCOPE

In 2018, the change in scope concerns the assignment of 26% of the share capital in its subsidiary Manitou Southern Africa (until now a 100% owned subsidiary) to the Columba Leadership Trust fund. There were no acquisitions in the financial period.

In 2017, the change in scope related to acquisition of Terex Equipment Private Ltd, now Manitou Equipment India, in May 2017, and to the acquisition of a majority stake in Marpoll Pty Ltd (LiftRite Hire & Sales) in July 2017.

NOTE 34.2. INCIDENCE OF ACQUISITIONS

Following the assignment of 26% of the share capital in Manitou Southern Africa, the Manitou Group retained control of this fully consolidated subsidiary. This transaction has no impact on the group’s cash and net assets. The loss (-€0.6m) was recognised by shareholder's equity.

The transaction is combined with a commitment to buy back securities (put on minority interests). This is recorded as long-term financial debt, charged to shareholder's equity, for its present value of the estimated exercise price, i.e. an amount of €1.2m as at 31 December 2018.

NOTE 34.3. IMPACT OF ACQUISITIONS ON THE INCOME STATEMENT

in thousands of euros	31 December 2018	31 December 2018 Constant scope, standard and exchange rate*	Difference
Net Sales	1 883 578	1 869 754	13 824
Recurring operating income	129 341	128 874	467
% net sales	6.9%	6.9%	

The inclusion in 2017 of Manitou Equipment India and Marpoll has an impact of €13.8m on the group's 2018 consolidated sales at the current exchange rate.

* The constant scope, standard and exchange rate are characterised by the following:

- constant scope: for the companies acquired in 2017 (Manitou Equipment India in May 2017 and Liftrite at the end of July 2017), deduction of their contribution, from 1 January of the current period to the anniversary month of their acquisition. No companies were acquired and there were no departing companies for the 2018 financial year

- accounting standard: application of IAS 18 to the aggregate line items for the current period

- application of the exchange rate for the 2017 financial year

NOTE 35 LIST OF SUBSIDIARIES AND AFFILIATES

	Parent company	
Manitou BF SA	Ancenis, France	

	Integrated companies	Consolidation method	% control	% interest
Manitou America Holding Inc.	West Bend, Wisconsin, United States	FC	100%	100%
Manitou North America LLC	West Bend, Wisconsin, United States	FC	100%	100%
Manitou Equipment America LLC	West Bend, Wisconsin, United States	FC	100%	100%
Gehl Power Products, Inc	Yankton, South-Dakota, United States	FC	100%	100%
Manitou Brasil Manipulacao de Cargas Ltda.	São Paulo, Brazil	FC	100%	100%
Manitou Mexico	Mexico City, Mexico	FC	100%	100%
Manitou Chile	Las Condes, Chile	FC	100%	100%
Compagnie Francaise de Manutention Ile-de-France	Herblay, France	FC	100%	100%
Manitou Global Services	Ancenis, France	FC	100%	100%
LMH Solutions SAS	Beaupréau-en-Mauges, France	FC	100%	100%
Manitou Développement*	Ancenis, France	FC	100%	100%
Cobra MS*	Ancenis, France	FC	100%	100%
Manitou Italia Srl	Castelfranco Emilia, Italy	FC	100%	100%
Manitou UK Ltd.	Verwood, United Kingdom	FC	99.4%	99.4%
Manitou Benelux SA	Perwez, Belgium	FC	100%	100%
Manitou Interface and Logistics Europe	Perwez, Belgium	FC	100%	100%
Manitou Deutschland GmbH	Ober Mörlen, Germany	FC	100%	100%
Manitou Portugal SA	Villa Franca, Portugal	FC	100%	100%
Manitou Manutencion Espana Sl	Madrid, Spain	FC	100%	100%
Manitou Vostok Llc	Moscow, Russian Federation	FC	100%	100%
Manitou Polska Sp Z.o.o.	Raszyn, Poland	FC	100%	100%
Manitou Nordics Sia	Riga, Latvia	FC	100%	100%
Manitou Southern Africa Pty Ltd.	Johannesburg, South Africa	FC	74%	74%
Manitou Australia Pty Ltd.	Alexandria, Australia	FC	94%	94%
Manitou Asia Pte Ltd.	Singapore	FC	100%	100%
Manitou South Asia Pte Ltd.	Gurgaon, India	FC	100%	100%
Manitou China Co Ltd.	Shanghai, China	FC	100%	100%
Manitou Middle East Fze	Jebel Ali, United Arab Emirates	FC	100%	100%
Manitou Malaysia MH	Kuala Lumpur, Malaysia	FC	100%	100%
Manitou Equipment India	Greater Noïda, India	FC	100%	100%
Marpoll Pty Ltd (LiftRite Hire & Sales)	Perth, Australia	FC	50.5%	50.5%
Manitou Finance France SAS	Nanterre, France	EM	49%	49%
Manitou Finance Ltd.	Basingstoke, United Kingdom	EM	49%	49%
Hangzhou Manitou Machinery Equipment Co Ltd.	Hangzhou, China	(1)	50%	50%

FC: Full consolidation

EM: Consolidated using the equity method

** companies with no activity*

(1) Considering that the conditions for application of IFRS 5 for non-current assets held for sale are met, HMME, initially consolidated using the equity method, was classified on 31 December 2018 as non-current assets held for sale (see Note 4).

NOTE 36 POST-CLOSING EVENTS

None

6.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

FOR THE YEAR ENDED 31 DECEMBER 2018

To the annual general meeting of MANITOU BF,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of MANITOU BF for the year ended 31 December 2018.

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 2018 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS OF OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5[1] of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

EMPHASIS OF MATTER

We draw attention to the following matter described in Notes 1.2.1 "New standards required to be applied for the 2018 financial statements" and Note 2 "Comparability of financial years" to the consolidated financial statements which set out changes in accounting methods relating to the adoption of IFRS 15 and IFRS 9 from 1 January 2018. Our opinion is not modified in respect of this matter.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

PROVISIONS FOR WARRANTIES AND EQUIPMENT RECALL CAMPAIGNS FOLLOWING QUALITY INCIDENTS

(See Notes 1.19 and 18.2 to the consolidated financial statements)

Key audit matter

The group records provisions for warranties and equipment recall campaigns to cover the estimated warranty costs of machines and spare parts, and the costs of overhauling sold equipment and the stock of machines in the event of major or dangerous malfunctions. These provisions, totalling €16.2 million as at 31 December 2018, are recorded for warranties when machines are sold to networks or end customers, and for recall campaigns when a malfunction is detected. The warranty provision amount covers the contractual provision and its possible extension and is determined using historical statistical data projections. The campaign provision amount is determined using the unit cost of repair applied to the fleet of machines concerned.

We considered the valuation of these provisions to be a key audit matter in the consolidated financial statements due to their importance in understanding the financial statements, the complexity of their calculation components (average on warranty costs over the last five years, machine commissioning dates, rate of outsourcing to suppliers, margin rate on spare parts) and their sensitivity to the assumptions adopted by management.

Response as part of our audit

We familiarized ourselves with the provision valuation process.

We tested the key controls set up by management that we consider as most relevant to determine the costs underlying this valuation, and particularly those relating to the various rates used in the estimates.

Our work also consisted of:

- assessing the relevance of the group's methodology,
- assessing the validity of the assumptions used to determine the warranty provisions, checking all of the data and calculations underlying these assumptions,
- reviewing the calculations on a test basis,
- assessing the judgements made by management and the appropriateness of the disclosures in Notes 1.19 and 18.2 to the consolidated financial statements,
- comparing the accounting estimates of prior periods with the corresponding actual figures.

JCB LITIGATION

(See Notes 3 and 23 to the consolidated financial statements)

Key audit matter

In May 2017, action was taken against the Manitou Group by J.C. Bamford Excavators Limited (JCB), in France, the United Kingdom and later Italy, for allegedly infringing two European patents, as mentioned in Note 3 to the consolidated financial statements. The claims amounted preliminary to €20 million (subject to further evaluation) before the French court and an amount in excess of £10 million before the UK court. The financial claims for Italy were not specified.

The legal proceedings for this dispute continued throughout 2018 and JCB increased its request for a provision for France from €20 million to €50 million.

In December 2018, JCB served a new summon on the Manitou Group for infringement of intellectual property rights relating to a third patent in France and the United Kingdom, again seeking €50 million as presented in the first proceeding.

The Manitou Group considers, on the one hand, that a financial estimate of the risk actually incurred cannot be determined given the evidence at its disposal and the progress of the proceedings, and, on the other hand, that a significant outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou Group in its defence. In light of this, no provision was set aside in the consolidated financial statements for these claims. The group only recorded the estimated future legal costs relating to this litigation in its 2018 financial statements, as indicated in Note 23 to the consolidated financial statements.

We considered this issue to be a key audit matter given its potential weight on the group's consolidated financial statements and insofar as significant judgment is required at the year-end regarding the uncertain outcome of this litigation in order to estimate the actual risk incurred.

Response as part of our audit

As part of our audit of the consolidated financial statements, our work primarily consisted in:

- examining the procedures implemented by the group to estimate the risk surrounding this litigation;
- familiarising ourselves with the group's risk analysis,
- assessing the validity of the absence of provisions (excluding the costs of proceeding) in light of the documentation provided by the company, the documents filed and the written consultations of external advisors;
- assessing the reasonableness of the assumptions used by management to estimate the provision for legal costs;
- verifying the appropriateness of the disclosures relating to this litigation in the notes to the consolidated financial statements.

SPECIFIC VERIFICATION

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the group presented in the management report of the Board of Directors.

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

We attest that the consolidated non-financial statement required by Article L.225- 102-1 of the French Commercial Code is included in the information pertaining to the group presented in the management report, being specified that, in accordance with the provisions of Article L.823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein and should be reported on by an independent insurance services provider.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF STATUTORY AUDITORS

Deloitte & Associés and RSM Ouest were appointed as statutory auditors of MANITOU BF by the annual general meeting held on 28 June 1989.

As at 31 December 2018, Deloitte & Associés and RSM Ouest were in their 29th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

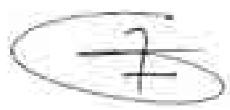
We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Orvault and Saint-Herblain, 03 April 2019

The Statutory Auditors

French original signed by

RSM Ouest	Deloitte & Associés
Jean-Michel Picaud	Emmanuel Gadret



6.3. PARENT COMPANY FINANCIAL STATEMENTS

6.3.1. INCOME STATEMENT

in thousands of euros	Notes	31.12.2017	31.12.2018
OPERATING INCOME [1]:			
Sales of merchandise		354 597	424 362
Production sold (goods)		799 503	934 751
Production sold (services)		10 695	12 183
NET SALES	**NOTE 18**	**1 164 795**	**1 371 296**
Inventoried and capitalised production		11 651	25 955
Reversals of provisions and amortisation, expense transfers	Note 19	17 811	15 008
Other income [1]		4 057	2 250
TOTAL		**1 198 314**	**1 414 509**
OPERATING EXPENSES [2]:			
Purchases and changes in inventories		-842 636	-1 026 185
Other purchases and external expenses		-138 029	-149 569
Taxes and related		-11 228	-12 826
Salaries and social security charges		-124 640	-138 250
Amortisation and impairment		-28 317	-26 838
Net increase in provisions		-3 369	-3 688
Other expenses [2]		-4 361	-3 801
TOTAL		**1 152 580**	**1 361 157**
OPERATING PROFIT		**45 734**	**53 352**
Financial income [3]		38 089	68 184
Financial expenses [4]		-34 119	-35 993
FINANCIAL RESULT	**NOTE 20**	**3 970**	**32 191**
RECURRING INCOME BEFORE TAXES		**49 704**	**85 543**
Non-recurring income		3 359	2 559
Non-recurring expenses		-1 472	-1 662
NON-RECURRING INCOME/EXPENSES	**NOTE 21**	**1 887**	**897**
Employee profit-sharing		-384	-1 272
Income taxes	Note 22	-13 167	-15 809
NET INCOME		**38 040**	**69 359**
[1] Of which income related to exchange gains on commercial operations		3 075	1 172
[2] Of which expenses related to exchange losses on commercial operations		3 294	2 884
[3] Of which income related to associates		16 456	31 687
[4] Of which expenses related to associates		1 240	4 099

6.3.2. CASH FLOW STATEMENT

	in thousands of euros	31.12.2017	31.12.2018
	NET INCOME	**38 040**	**69 359**
Elimination of income and expenses with no effect on operating cash flow and not linked to operating activities			
+	Amortisation, depreciation and provisions *	27 558	20 026
-	Reversals of amortisation and provisions *	-2 441	-12 001
-	Proceeds from disposals of assets	-346	-212
+	Net book value of asset disposals	132	823
-	Investment subsidies included in income	-11	-10
+/-	Other non-cash income and expenses	0	0
	EARNINGS BEFORE DEPRECIATION AND AMORTISATION	**62 932**	**77 985**
Changes in cash flows from operating receivables			
+/-	Changes in inventories	-20 363	-59 987
+/-	Changes in accounts receivable	-86 355	-55 763
+/-	Changes in other operating receivables	20 958	-77 996
+/-	Changes in accounts payable	39 220	36 741
+/-	Changes in other operating liabilities	22 912	73 457
	CASH FLOW FROM OPERATING ACTIVITIES	**39 304**	**-5 563**
Changes in cash flows from investing activities			
+	Disposals of intangible and tangible assets	346	75
+	Sales of financial assets	0	138
-	Purchases of intangible and tangible assets	-24 110	-27 923
-	Purchases of financial assets	-19 395	-5 086
+/-	Changes in supplier payables on assets	-3 582	369
+/-	Cash flow related to mergers	0	0
	CASH FLOW FROM INVESTING ACTIVITIES	**-46 741**	**-32 427**
Changes in cash flow from financing activities			
+	Capital increase	844	616
-	Capital reduction	0	0
+	Carryback receivable transferred	0	0
-	Dividends paid	-16 430	-23 720
+	Increases in borrowings	20 640	85 513
-	Repayments of borrowings	-21 094	-53 819
+/-	Changes in subscribed capital called but not paid	0	0
	CASH FLOW FROM FINANCING ACTIVITIES	**-16 040**	**8 590**
	Cash and cash equivalents – opening balance	65 161	41 684
	Cash and cash equivalents – closing balance	41 684	12 284
	CHANGE IN CASH AND CASH EQUIVALENTS	**-23 477**	**-29 400**

** Excluding current assets*

6.3.3. BALANCE SHEET

ASSETS		31.12.2017	31.12.2018		
in thousands of euros	Notes	Net amount	Gross amount	Depreciation and impairment	Net amount
FIXED ASSETS					
INTANGIBLE ASSETS [1]	Note 2	20 340	88 545	64 451	24 094
TANGIBLE ASSETS	Note 3	61 255	255 766	189 135	66 631
FINANCIAL ASSETS [2]	Note 4	386 133	418 726	1 051	417 675
		467 728	**763 037**	**254 637**	**508 400**
CURRENT ASSETS					
INVENTORIES & WORK IN PROGRESS	Note 6	227 879	297 510	9 645	287 865
PREPAYMENTS AND ADVANCES TO SUPPLIERS		125	293		293
RECEIVABLES FROM OPERATIONS [3]	Note 7	295 961	430 052	155	429 897
CASH AND MARKETABLE SECURITIES	Note 9	47 189	38203		38 203
ACCRUALS	Note 15	3 688	3 385		3 385
		574 842	**769 443**	**9 800**	**759 643**
CURRENCY TRANSLATION DIFFERENCES ON ASSETS	Note 16	6 287	10 210		10 210
TOTAL PROVISIONS		**1 048 857**	**1 542 690**	**264 437**	**1 278 253**
[1] Of which leasehold rights		0			0
[2] Of which less than one year		4 021			3 807
[3] Of which more than one year		0			0

LIABILITIES		31.12.2017	31.12.2018
in thousands of euros	Notes	Net amount	Net amount
SHAREHOLDERS' EQUITY	Note 10		
Share capital	Note 10	39 621	39 668
Issue, merger and acquisition premiums, etc.		44 550	45 119
Revaluation differences [4]	Note 17	908	18 806
Retained earnings and reserves		420 812	435 132
Income for the period		38 040	69 359
Investment subsidies		75	65
Regulated provisions		9 174	7 785
		553 180	**615 934**
PROVISIONS FOR RISKS AND CONTINGENCIES	Note 11	35 120	40 122
DEBT [1]			
FINANCIAL DEBTS [2]	Note 12	181 730	294 370
DEBT RELATED TO OPERATING ACTIVITIES	Note 12		
Supplier accounts payable and related		201 660	238 401
Tax and social security liabilities		47 658	52 316
Other operating liabilities		15 532	15 950
OTHER DEBT	Note 12	1 838	3 159
ACCRUALS	Note 15	8 325	11 690
		456 743	**615 886**
Currency translation differences on liabilities	Note 16	3 814	6 311
TOTAL PROVISIONS		**1 048 857**	**1 278 253**
[1] Of which more than one year		45 732	33 636
Of which less than one year		411 011	582 250
[2] Of which outstanding bank overdrafts and credit balances		5 505	17 604
[3] Of which equity loans		0	0
[4] Of which change in equity method valuation		0	17 898

GENERAL INFORMATION

COMPANY IDENTITY

Manitou BF is a French Public Limited Company (*société anonyme*) with a Board of Directors with capital of €39 668 399 consisting of 39 668 399 shares with a par value of €1 per share.

The company's head office, which is also the main production site, is:

430 rue de l'Aubinière - BP 10 249 - 44158 Ancenis Cedex France

The company is registered in the Nantes Trade and Companies Register under number: 857 802 508 RCS Nantes - SIRET (business registration) No.: 857 802 508 00047 - APE (principal activity code): 292 D - NAF (business sub-sector ID) No.: 2822Z.

FINANCIAL INFORMATION RELATED TO THE APPROVAL OF THE FINANCIAL STATEMENTS

Manitou BF's financial statements were approved by the Board of Directors on 6 March 2019.

COMMENTS ON THE NOTES TO THE BALANCE SHEET

The Notes to the balance sheet before distribution of dividends show the following:

The balance sheet for the period shows a total of €1 278 253 thousand.

The income statement reports:

- total income of €1 485 252 thousand,
- total expenses of €1 415 893 thousand,
- income of +€69 359 thousand.

The period began on 1 January 2018 and ended on 31 December 2018, spanning 12 months.

The Notes (or tables) below are an integral part of the annual financial statements.

HIGHLIGHTS OF THE PERIOD

MONITORING OF LITIGATION FOR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

In May 2017, action was taken against the Manitou Group by J.C. Bamford Excavators Limited (JCB), in France, for allegedly infringing two European patents regarding certain features related to the control system of the overload cut-off of certain telehandlers manufactured and/or marketed.

Financially, in May 2017, the claimant was seeking preliminary damages (subject to further evaluation) of €20 million before the French court, increased in June 2018 by JCB to €50 million.

The legal proceedings for this dispute continued throughout 2018.

Within the context of a procedural issue, JCB applied for interim injunctive relief against Manitou BF. The pretrial judge decided on 31 January 2019 to dismiss JCB's application for the first patent on which JCB was basing its allegations and, with regard to the second patent, temporarily prohibited Manitou BF from manufacturing, offering for sale, leasing and holding a former configuration of certain telehandlers. This decision has no impact on Manitou BF's business insofar as it relates to the control system incorporated in certain models produced and sold before August 2017 that are no longer manufactured by Manitou BF, a fact that was acknowledged by the decision. Manitou BF has appealed this decision.

For this same incident, Manitou BF had alternatively proposed, if the judge considered the interim injunctive relief well founded, the replacement of the bans by a bank guarantee of €470 000 for the two patents. This proposal become irrelevant for the first patent, for which the judge did not declare a preliminary injunction. JCB produced an appraisal valuing its loss at €160 million (for the two patents) in support of its application for the guarantee, if ordered, to be for €30 million (also for the two patents). This proposal was not accepted by the judge, nor was JCB's application for penalties of €100 000 per day of delay, with the penalties declared by the judge at €1 000 per offence, the decision emphasising that the alleged loss by JCB concerns only the overload cut-off control system and not the machine as a whole.

Manitou BF completely denies JCB's allegations and continues to defend itself vigorously.

In terms of the progress of the proceedings, the financial risk liable to be incurred is difficult to reliably estimate. Moreover, significant payouts in respect of these claims seem to be unlikely in view of the evidence put forward by Manitou BF to defend itself. As a result, no provision in respect of these claims has been recognised in Manitou BF's financial statements.

SHARE INVESTMENTS

MANITOU SOUTHERN AFRICA

On 5 November 2018, Manitou BF transferred 26% of the share capital in its subsidiary Manitou Southern Africa (until then a 100% owned subsidiary) to the Columba Leadership Trust fund.

This transaction resulted in a financial loss of €578 thousand, see Note 21.

NOTE 1 ACCOUNTING PRINCIPLES

NOTE 1.1. GENERAL PRINCIPLES

The balance sheet and the income statement are prepared in accordance with French legislation and generally accepted accounting methods in France.

The base method used for financial statement items is the historical cost method.

A number of points that could have a material impact are described in detail below.

NOTE 1.2. CHANGES IN ACCOUNTING METHODS

There were no changes in accounting methods in the financial year.

NOTE 1.3. FIXED ASSETS

NOTE 1.3.1. DEVELOPMENT COSTS

In compliance with Article 212-3-2 of ANC Regulation No. 2014-03, the development costs incurred by the company in 2018 relating to clearly defined projects likely to be completed and marketed profitably were capitalised, as the capitalisation requirements specified by the French accounting regulations had been fulfilled. As it is a recommended method, the company made the decision in 2005 to apply this accounting treatment.

All research expenses and the costs of studies and development other than those described above are expensed in the period in which they are incurred.

NOTE 1.3.2. SOFTWARE

These mainly include the costs incurred in the implementation of various projects, for the portion related to the detailed design of these projects and to programming, testing and documentation.

Costs recorded during the preliminary study phase, the functional analysis phase and for user training are recognised as expenses.

NOTE 1.3.3. DEPRECIATION OF FIXED ASSETS

In accordance with ANC Regulation No. 2014-03, the accounting methods relating to tangible and intangible assets (excluding development costs) are as follows:

- the depreciable amount is the difference between the cost of the asset and its residual value, considered to be zero for all depreciable assets,
- the depreciation periods have been adjusted to the estimated useful lives of the various asset categories and calculated using the straight-line method,
- the main depreciation periods are as follows:
  - goodwill: 5 years,
  - patents: 5 years,
  - software: 3 years and 7 years for the integrated information system (ERP),
  - development costs: 5 years,
  - buildings: between 20 and 30 years depending on the construction quality,
  - improvements to land and buildings: 10 years,
  - technical facilities: 10 years,
  - industrial equipment: between 3 and 7 years depending on the type of equipment,
  - industrial tooling and moulds: 3 years,
  - transport equipment: 4 years for passenger cars, 5 years for large commercial vehicles,
  - office and IT equipment: between 3 and 5 years depending on the type of equipment,
  - office furniture: 10 years.

The difference between tax depreciation calculated using the declining balance method and straight-line depreciation based on the estimated useful life is recorded in regulated provisions (special depreciation allowances). For development costs, special amortisation allowances are recognised as of the date the asset is capitalised, as provided by law.

NOTE 1.3.4. IMPAIRMENT OF ASSETS

Tangible and intangible assets must be tested for impairment whenever there is an indication of impairment.

When an indication of impairment exists, an impairment test is conducted: the carrying amount is determined with reference to the market and to the utility of the asset to the company, which depends on its fair value and its value in use.

NOTE 1.4. SHARE INVESTMENTS

In order to report its shareholders' equity on a comparable basis for both the corporate and the consolidated financial statements, the company chose, as of year-end 1990, to value shares in wholly controlled companies using the portion of shareholders' equity owned, as determined using the rules of consolidation, in accordance with Article 3 of the French Law of 3 January 1985 and Article 11 of the Decree of 17 February 1986.

In accordance with Article 221-4 of ANC regulation No. 2014-03, if, at year-end, the aggregate value of securities valued using the equity method is less than their purchase price, the aggregate value of the portfolio is reduced accordingly. A provision for overall portfolio risk is also created if the aggregate value using the equity value is negative.

Acquisition costs are capitalised. In accordance with the applicable tax laws, such acquisition costs are amortised over 5 years on a straight-line basis.

NOTE 1.5. TREASURY SHARES

Treasury shares are recorded in "Marketable securities" when such securities are intended to cover stock option plans and share awards and in "Other financial assets" in other cases.

For plans deemed to be exercisable (where the the market value of the share is greater than the exercise price of the option) for which an outflow of resources is probable, the corresponding shares are classified in a specific "Marketable securities" account.

When the market value of Manitou shares falls below their purchase price, an impairment loss is recorded for the difference. No impairment loss is recorded for shares classified as marketable securities to be cancelled, nor for shares classified in the specific marketable securities sub-account (plans deemed to be exercisable).

Such shares are relevant to the calculation of liabilities, determined as described below.

In accordance with Articles 624-2 to 624-18 of ANC Regulation No. 2014-03, expenses relating to option plans and performance share awards pertaining to Manitou BF shares are spread over the employees' vesting period, on a straight-line basis. They are recognised in the income statement under "Salaries and social security charges" against a balance sheet expense provision.

For purchase option plans, these expenses correspond to the difference between the portfolio value, net of impairment, of the shares allocated to such plans, and the corresponding exercise price, if lower. For performance share plans, they amount to the portfolio value of the shares granted.

NOTE 1.6. INVENTORIES

NOTE 1.6.1. VALUATION

- Merchandise: valued at the weighted average purchase price,
- Raw materials: valued at the weighted average purchase price,
- Semi-finished products, work in process and finished products: valued at the cost of production (raw materials, equipment and labour at actual cost).

NOTE 1.6.2. WRITE-DOWNS FOR IMPAIRMENT

- Merchandise: as in previous years, merchandise was subject to write-downs for impairment calculated statistically based on inventory turnover and probable losses from impairment,
- Raw materials: the same method as for merchandise is used, i.e. low-turnover items are subject to a write-down for impairment,
- Finished products: equipment is subject to a component-by-component analysis, the equipment in question being used or demonstration equipment in storage or with a low turnover. The rate of write-downs for impairment is determined by product group.

NOTE 1.7. RECEIVABLES AND PAYABLES

Receivables and payables are recorded at their nominal value. An impairment loss is recognised when their recoverable value, appraised on a case-by-case basis, is estimated to be less than their accounting value.

NOTE 1.8. PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions are created for risks and contingencies when the company has a liability to a third party and it is probable or certain that it will face an outflow of resources to the said third party, without consideration.

Such provisions are estimated taking into account the best-estimate assumptions as of the reporting date.

NOTE 1.9. RETIREMENT BENEFIT COMMITMENTS

The liability is calculated in accordance with IAS 19 (Revised) as authorised by ANC Recommendation 2013-02 of 7 November 2013. The method used is the projected unit credit method, sometimes known as the "project benefits method prorated on years of service".

Retirement benefit commitments are assessed taking demographic and economic assumptions into account. They are discounted to their present value using a discount rate based on the interest rates for the highest-quality bonds. The various categories of defined benefit plans in place within Manitou BF and the main assumptions used are set out in Note 11 to the financial statements.

NOTE 1.10. LONG-SERVICE AWARDS

The liability was calculated in the same way as for the previous period, in accordance with CNC (French accounting authority) Recommendation 2003-R-01 of 01.04.2003 which reproduces the terms of IAS 19.

NOTE 1.11. TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT

Manitou BF credited €2.9 million of tax income to personnel expenses for the period, under the CICE (the French tax credit for competitiveness and employment). Its purpose is to finance improvements in companies' competitiveness and to this end, the company uses it to finance efforts in regard to investment, research, innovation, training, hiring, prospecting new markets, the ecological and energy transition, and reconstitution of working capital.

NOTE 1.12. FOREIGN CURRENCY TRANSLATIONS

Foreign currency transactions are valued at the exchange rate on the date of the transaction. Receivables and payables are translated at the exchange rate on the reporting date. The difference resulting from the translation of foreign currency payables and receivables at the rate on the reporting date is recorded in the balance sheet as currency translation differences. Unrealised exchange losses that are not hedged are subject to a provision for risk.

NOTE 1.13. FINANCIAL FORWARD INSTRUMENTS AND HEDGING TRANSACTIONS

In accordance with ANC Regulation No. 2015-05 on financial instruments, the exchange losses and gains related to commercial operations were recognised in operating income and the hedging instruments at year-end were revalued.

The effects of hedging instruments are recognised in the income statement in the same manner as those of the hedged item.

The impairment or provision for contingencies relating to a hedged item takes the effect of the hedge into account.

Changes in fair value of the instruments are not recognised in the balance sheet, unless this ensures symmetrical treatment with the hedged risk and for the non-derivative foreign exchange products (receivables, liabilities etc.) translated at year-end.

The company documents the relationship between the hedging instrument and the hedged instrument, in addition to is hedging policy.

The company endeavours to minimise the exchange risk by performing exchange hedges on the largest cash flows for their net amount of their exposure to currencies, after recognition of purchases in foreign currency.

NOTE 2 INTANGIBLE ASSETS

in thousands of euros	31.12.2017	Purchases	Transfers between line items	Disposals	Gross amounts 31.12.2018
Research and development costs	33 779		1 129		34 908
Concessions, patents and licences	36 748	727	8 169		45 644
Goodwill	1 708				1 708
Other intangible fixed assets	0				0
Intangible assets in process	7 146	8 427	-9 288		6 285
Prepayments and advances	0				0
TOTAL	**79 381**	**9 154**	**10**		**88 545**

in thousands of euros	31.12.2017	Increases	Other decreases	Depreciation 31.12.2018
Research and development costs	25 512	2 508		28 020
Concessions, patents and licences	31 965	2 902		34 867
Goodwill	1 564			1 564
Other intangible fixed assets	0			0
Intangible assets in process	0			0
Prepayments and advances	0			0
TOTAL	**59 041**	**5 410**		**64 451**

in thousands of euros	31.12.2017	Net amounts 31.12.2018
Research and development costs	8 267	6 888
Concessions, patents and licences	4 783	10 777
Goodwill	144	144
Other intangible fixed assets	0	0
Intangible assets in process	7 146	6 285
Prepayments and advances	0	0
TOTAL	**20 340**	**24 094**

NOTE 2.1. RESEARCH AND DEVELOPMENT COSTS

Development costs amounted to €35 509 thousand at 31 December 2017, split between projects in process (€1 730 thousand) and completed projects (€33 779 thousand).

Development costs, incurred directly by the company and capitalised in 2018 amounted to €4 381 thousand, making a total of €39 890 thousand in capitalised expenses at 31 December 2018. This amount was split between projects in process (€4 982 thousand) and completed projects (€34 908 thousand). All research costs and the costs of studies and development other than those described above were expensed in 2018 for an amount of €9 431 thousand, as compared to €8 504 thousand in 2017.

NOTE 3 TANGIBLE ASSETS

in thousands of euros	31.12.2017	Purchases	Transfers between line items	Disposals	Gross amounts 31.12.2018
Land	15 389	1 704	613	25	17 681
Buildings	42 832		2 076		44 908
Installations, improvements and fixtures	40 025	962	1 422	30	42 379
Technical installations and industrial equipment	120 327	4 983	2 786	1 099	126 997
Other tangible assets	16 907	1 709	48	111	18 553
Tangible fixed assets under production	2 792	9 411	-6 955		5 248
TOTAL	**238 272**	**18 769**	**-10**	**1 265**	**255 766**

in thousands of euros	31.12.2017	Increases	Other decreases	Depreciation 31.12.2018
Land	6 510	641		7 151
Buildings	29 167	1 909		31 076
Installations, improvements and fixtures	28 877	1 878	23	30 732
Technical installations and industrial equipment	98 125	7 707	1 096	104 736
Other tangible assets	14 336	1 214	110	15 440
TOTAL	**177 015**	**13 349**	**1 229**	**189 135**

in thousands of euros	31.12.2017	Net amounts 31.12.2018
Land	8 879	10 530
Buildings	13 665	13 832
Installations, improvements and fixtures	11 148	11 647
Technical installations and industrial equipment	22 202	22 261
Other tangible assets	2 571	3 113
Tangible fixed assets under production	2 792	5 248
TOTAL	**61 257**	**66 631**

Investments in 2018 mainly related to acquisition of land for €1 681 thousand, construction and improvement of industrial buildings for €6 945 thousand, tooling for €8 354 thousand (including €1 489 thousand for the development of new machinery), and IT and office equipment for €1 779 thousand.

NOTE 4 FINANCIAL ASSETS

in thousands of euros	31.12.2017	Revaluation	Purchases	Transfers between line items	Decreases	Gross amounts 31.12.2018
Share investments	18 930		10			18 940
Receivables linked to share investments [1]	9 397		3 132		2 902	9 627
Investments valued using the equity method [2]	366 699	17 898	5 215		788	389 024
Loans	14				8	6
Other financial assets	1 490				361	1 129
TOTAL	**396 530**	**17 898**	**8 357**		**4 059**	**418 726**

[1] On 1 June 2018, Manitou BF granted a loan to its Spanish subsidiary Manitou Manutencion Espana for an amount of €3 000 000, which is repayable over 10 years.

[2] Information on investments in affiliates (changes in 2018)

Companies	31.12.2017	Acquisitions in 2018	Transfers between line items	Disposals	31.12.2018
Manitou Global Services	1716				1716
Manitou UK	598				598
Manitou Italia	34 460				34 460
Manitou Benelux	712				712
Manitou Asia	1 309				1 309
Manitou Portugal	2 963				2 963
Manitou Deutschland	8 712				8 712
Manitou Southern Africa	2 219			577	1 642
Manitou Australia	869				869
Manitou Hangzhou Material Handling	5 705				5 705
Manitou Manutencion Espana	200				200
Manitou Vostok	5 010				5 010
Manitou Polska	53				53
Manitou America Inc.	278 973				278 973
Manitou Interface and Logistics Europe	495	1 500			1 995
Manitou South Asia	636				636
Manitou Brasil Manipulacao de Cargas	6 570				6 570
Manitou Nordics	244				244
Manitou Middle East	212				212
Manitou Malaysia	400	964			1 364
Manitou Chile	20				20
LMH Solutions	3 000				3 000
Manitou Developpement	10				10
Manitou Equipment India	9 030	2 530			11 560
Marpoll Pty Ltd (LiftRite Hire & Sales)	2 583			211	2 372
Manitou Mexico		221			221
TOTAL	**366 699**	**5 215**		**788**	**371 126**

As part of its commercial development, Manitou BF created a new company, Manitou Mexico, based in Mexico.

Manitou BF also subscribed to the increase in capital of the subsidiaries Manitou Interface Logistique Europe, Manitou Malaysia and Manitou Equipment India.

In addition, Manitou BF assigned 26% of the share it held in its subsidiary Manitou South Africa and 4.5% of share it held in its Australian subsidiary Marpoll, decreasing its share from 100% to 74% and from 55% to 50.50% respectively.

in thousands of euros	31.12.2017	Increases	Reversals	Impairment 31.12.2018
Investments valued using the equity method [1]	10 375		10 375	
Other investments [2]	0	1 051	0	1 051
Other financial assets	22	0	22	0
TOTAL	**10 397**	**1 051**	**10 397**	**1 051**

[1] At the end of the period, the total value of securities valued using the equity method was greater than their purchase price. In accordance with Article 332-4 of the PCG (French legal accounting guidelines), a provision of €10 375 thousand recorded at 31.12.2017 was recovered in full in 2018 and the positive equivalence difference was recognised as shareholder's equity for €17 898 thousand.

[2] In anticipation of the assignment of the shares held in its Chinese subsidiary, Hangzhou Manitou Machinery Equipment, a provision for impairment was set aside for €1 051 thousand.

NOTE 5 INVESTMENTS VALUED USING THE EQUITY METHOD (IN THOUSANDS OF EUROS)

	31.12.2017				31.12.2018			
Companies	% held	Accounting value (acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)	% held	Accounting value (acq. cost or restated 1976 valuation)	Equity method value (IFRS)	Equity accounting reserve (IFRS)
Manitou Global Services	100.00%	1 716	13 643	11 927	100.00%	1 716	15 672	13 956
Manitou UK	99.42%	598	10 001	9 403	99.42%	598	12 037	11 439
Manitou Italia	100.00%	34 460	85 718	51 258	100.00%	34 460	92 297	57 837
Manitou Benelux	99.99%	713	5 048	4 335	99.99%	713	5 974	5 261
Manitou Asia	100.00%	1 310	7 132	5 822	100.00%	1 310	7 841	6 531
Manitou Portugal	100.00%	2 963	5 802	2 839	100.00%	2 963	5 853	2 890
Manitou Deutschland	100.00%	8 712	3 416	-5 296	100.00%	8 712	3 874	-4 838
Manitou Southern Africa	100.00%	2 219	15 542	13 323	74.00%	1 642	10 589	8 947
Manitou Australia	94.00%	869	7 764	6 895	94.00%	869	7 421	6 552
Manitou Hangzhou Material Handling	100.00%	5 705	2 185	-3 520	100.00%	5 705	2 272	-3 433
Manitou Manutencion Espana	100.00%	200	1 713	1 513	100.00%	200	2 426	2 226
Manitou Vostok	100.00%	5 010	5 789	779	100.00%	5 010	7 225	2 215
Manitou Polska	100.00%	53	317	264	100.00%	53	356	303
Manitou America Inc.	100.00%	278 973	175 967	-103 006	100.00%	278 973	194 196	-84 777
Manitou Interface and Logistics Europe	99.00%	495	1 468	973	99.75%	1 995	3 232	1 237
Manitou South Asia	100.00%	637	1 198	561	100.00%	637	1 570	933
Manitou Brasil Manipulacao de Cargas	99.96%	6 570	-350	-6 920	99.96%	6 570	-2 017	-8 587
Manitou Nordics	100.00%	244	356	112	100.00%	244	407	163
Manitou Middle East	100.00%	211	239	28	100.00%	211	258	47
Manitou Malaysia	100.00%	400	286	-114	100.00%	1 364	1 246	-118
Manitou Chile	100.00%	20	1	-19	100.00%	20	36	16
LMH Solutions	100.00%	3 000	2 131	-869	100.00%	3 000	2 089	-911
Manitou Developpement	100.00%	10	10	0	100.00%	10	10	0
Manitou Equipment India	100.00%	9 030	8 635	-395	100.00%	11 560	11 869	309
Marpoll Pty Ltd (LiftRite Hire & Sales)	55.00%	2 583	2 314	-269	50.50%	2 372	2 062	-310
Manitou Mexico					100.00%	221	229	8
TOTAL		**366 699**	**356 325**	**-10 375**		**371 126**	**389 024**	**17 898**

NOTE 6 INVENTORIES

	31.12.2017			31.12.2018		
in thousands of euros	Gross value	Impairment	Net	Gross value	Impairment	Net
Raw materials	68 576	1 892	66 684	100 710	2 080	98 630
Work in process	20 408		20 408	25 927		25 927
Finished products	83 761	1 115	82 646	96 664	1 233	95 431
Merchandise	64 325	6 184	58 141	74 209	6 332	67 877
TOTAL	**237 070**	**9 191**	**227 879**	**297 510**	**9 645**	**287 865**

NOTE 7 RECEIVABLES FROM OPERATIONS

	Gross amounts			Provisions		
in thousands of euros	31.12.2017	Changes in 2018	31.12.2018	31.12.2017	Changes in 2018	31.12.2018
Trade accounts and other receivables	251 834	55 595	307 429	323	-168	155
Other receivables	9 917	8 250	18 167	0		0
Misc. receivables	34 533	69 923	104 456	0		0
Subscribed capital called but not paid	0		0	0		0
TOTAL	**296 284**	**133 768**	**430 052**	**323**	**-168**	**155**

		Net amounts
in thousands of euros	31.12.2017	31.12.2018
Trade accounts and other receivables [1]	251 511	307 274
Other receivables	9 917	18 167
Misc. receivables	34 533	104 456
Subscribed capital called but not paid	0	0
TOTAL	**295 961**	**429 897**
[1] Including bills of exchange	4	4

NOTE 8 BREAKDOWN OF RECEIVABLES

in thousands of euros	Gross value	Less than 1 year	1 to 5 years	Over 5 years
On fixed assets				
Receivables linked to share investments [1]	9 628	2 673	5 530	1 425
Loans	6	6		
Other financial assets	1 129	1 129		
On current assets				
Doubtful or disputed accounts receivable	40	40		
Other accounts receivable	307 389	307 389		
Employee and related accounts	6	6		
Social Security and other social organisations	57	57		
Income tax	4 488	4 488		
Value-added tax	14 342	14 342		
Miscellaneous	21	21		
group and associates	99 305	99 305		
Misc. debtors	4 404	4 404		
Prepaid expenses	3 385	3 385		
TOTAL	**444 200**	**437 245**	**5 530**	**1 425**
[1] Loans granted during the period	3 000			
[1] Loans repaid during the period	2 743			

NOTE 9 CASH AND MARKETABLE SECURITIES

Marketable securities were valued at their market price on 31 December.

Money market funds (SICAV) were subject to a "bought-sold" on that date and the interest accrued on other investments was recorded at the end of the financial year.

in thousands of euros	2017	2018
Money market funds (SICAV) (valued at the market price on 31.12.2018, purchase price on that date)	0	0
Shares of listed company	0	0
Provision for impairment of shares	0	0
Treasury shares *	23 445	23 445
Provision for impairment of treasury shares *	0	0
TOTAL MARKETABLE SECURITIES	**23 445**	**23 445**
Cash and cash equivalents	23 744	14 756
TOTAL MARKETABLE SECURITIES & CASH AT BANK	**47 189**	**38 201**

** Treasury shares*

As at 31 December 2018, the treasury shares held by the company to cover stock options (1 381 461 shares) were reported as marketable securities at the purchase price value of €23 445 thousand, i.e. an average price per share of €16.97.

NOTE 10 SHAREHOLDERS' EQUITY

NOTE 10.1. CHANGES IN SHAREHOLDERS' EQUITY

in thousands of euros	Share Capital	Share premi-ums	Valuation differ-ences	Statutory reserve	Other reserves	Retained earnings	Income for the period	Grants and regulated provisions	Total equity
31.12.2017	**39 622**	**44 550**	**908**	**3 962**	**315 338**	**101 510**	**38 040**	**9 250**	**553 180**
Capital increase	46	569							615
2017 income						38 040	-38 040		0
Dividends						-23 719			-23 719
2018 income							69 359		69 359
Impact of changes in the value of associates (equity method)			17 898						17 898
Change in investment subsidies								-10	-10
Change in price increase allowance									0
Change in special depreciation allowances for the year								-1 389	-1 389
31.12.2018	**39 668**	**45 119**	**18 806**	**3 962**	**315 338**	**115 831**	**69 359**	**7 851**	**615 934**

NOTE 10.2. BREAKDOWN OF SHARE CAPITAL

	Nominal value	Number	Amount
Composition of capital at the start of the year	€1.00	39 621 598	€39 621 598
Capital increase	€1.00		
Share subscription options	€1.00	46 801	€46 801
CAPITAL AS AT 31.12.2018	**€1.00**	**39 668 399**	**€39 668 399**

NOTE 11 PROVISIONS

		Increases	Reversals		
in thousands of euros	31.12.2017	Increases	Used	Unused	31.12.2018
REGULATED PROVISIONS					
Provision for price increases	0				
Special depreciation allowances	9 174	215	1 604		7 785
Other regulated provisions	0				
TOTAL	**9 174**	**215**	**1 604**	**0**	**7 785**
PROVISIONS FOR RISKS AND CONTINGENCIES					
Litigation [1]	3 344	1 028	1 281	216	2 875
Customer warranties [2]	7 525	4 419	3 433	1 513	6 998
Exchange losses	4 827	8 798	4 827		8 798
Pensions and related liabilities [3]	1 026	90	49		1 067
Other provisions for risks & contingencies	0	0	0		0
Provisions for retirement benefit plan commitments [5]	18 397	1 986			20 383
TOTAL	**35 120**	**16 321**	**9 590**	**1 729**	**40 122**
PROVISIONS FOR IMPAIRMENT					
Tangible assets	1				1
Share investments	10 375	1 051	10 375		1 051
Inventories and work in process	9 191	3 628	3 116	58	9 645
Accounts receivable	323	59	25	202	155
Other [4]	22		22	0	
TOTAL	**19 912**	**4 738**	**13 538**	**260**	**10 852**
TOTAL PROVISIONS	**64 204**	**21 274**	**24 682**	**2 038**	**58 758**
Of which increases and reversals:		Increases		Reversals	
- operating		11 765		10 276	
- financial		9 294		14 818	
- extraordinary		215		1 627	

[1] LITIGATION: The allocation for the period comprises, in particular, a provision created to cover the costs of legal proceedings in the context of a patent dispute.

[2] WARRANTIES: A provision is created to cover the estimated cost of warranties on machinery and spare parts when they are put into use by the sales networks or end customers. It covers the contractual warranty, as well as any potential extension on a case-by-case basis or in relation to campaigns. The provision is calculated on a statistical basis.

[3] PENSIONS AND RELATED LIABILITIES: This line item corresponds to the amount of the provision for long-service awards.

[4] OTHER: Impairment of treasury shares (see Note 9).

[5] PROVISIONS FOR RETIREMENT BENEFIT PLAN COMMITMENTS: Provisions for retirement benefits were valued according to the principles described in Note 1.9. The actuarial assumptions used in the valuation of these commitments are as follows:

		31.12.2017	31.12.2018
Retirement age	- managers	62/67 years	62/67 years
	- non-managers	62/67 years	62/67 years
		Progressive increase in the number of contribution years to 43 years	Progressive increase in the number of contribution years to 43 years
Annual employee growth rate		4.00%	4.00%
Discount rate		1.80%	1.80%
Rate of return on plan assets		1.80%	1.80%
Mortality rate		TGH05/TGF05	TGH05/TGF05
Staff turnover rate	- managers	2.50%	2.50%
	- non-managers	1.00%	1.00%

Actuarial gains and losses are recognised in full in income.

Provisions for retirement indemnities changed as follows:

in thousands of euros	31.12.2017	31.12.2018
Commitment at end of period	22 743	24 261
Plan assets at end of period	4 346	3 878
Financial situation	-18 397	-20 383
Cost of prior services (change in collective bargaining agreement 08/2010)	0	0
(Provision)/amount prepaid	-18 397	-20 383

The impact on income recorded in the financial statements in 2017 and 2018 can be broken down as follows:

in thousands of euros	31.12.2017	31.12.2018
Service costs	1 534	1 694
Cost of discounting	405	439
Expected return on plan assets	-87	-77
Reduction	0	0
Past service costs	0	0
SUBTOTAL	**1 852**	**2 056**
Acquisition transfer	0	0
Actuarial gain/loss calculated	466	-70
TOTAL	**2 318**	**1 986**

NOTE 12 BREAKDOWN OF DEBT

in thousands of euros	Gross value 31.12.2018	Less than 1 year	1 to 5 years	Over 5 years
Bank loans and debt [1]	153 301	124 958	27 914	429
Loans and other financial liabilities	6 337	6 337		
Supplier accounts payable and related	238 401	238 401		
Employee and related accounts	27 348	27 348		
Social Security and other social organisations	21 305	21 305		
Income tax	0	0		
Value-added tax	271	271		
Other taxes	3 391	3 391		
Debts on fixed assets and related accounts	1 352	1 352		
group and associates	134 732	134 732		
Other liabilities	17 758	17 758		
Deferred revenues	11 690	6 397	5 293	
TOTAL	**615 886**	**582 250**	**33 207**	**429**
[1] Loans taken out during the period	85 513			
[1] Loans repaid during the period	53 819			

NOTE 13 ITEMS RELATED TO AFFILIATES

in thousands of euros	31.12.2017	31.12.2018
Investments valued using the equity method [1]	366 699	389 024
Receivables from affiliates	9 397	9 627
Other investments	18 930	18 940
Accounts receivable and related	135 869	190 010
Other receivables	27 851	100 883
Supplier accounts payable and related	35 764	60 351
Debt on fixed assets	0	2
Other liabilities	77 050	140 762
Financial expenses	1 240	4 099
Income from equity investments	14 162	26 865
Other financial income	2 294	4 822
[1] Of which change in equity method valuation:	0	17 898

No transactions were made outside of normal market conditions.

NOTE 14 ACCRUED INCOME AND EXPENSES

NOTE 14.1. ACCRUED INCOME

in thousands of euros	31.12.2017	31.12.2018
Receivables from affiliates	159	132
Other financial assets	0	0
Accounts receivable and related	31 597	52 698
Other receivables	2 335	4 186
Cash and cash equivalents	0	0

NOTE 14.2. ACCRUED EXPENSES

in thousands of euros	31.12.2017	31.12.2018
Bank loans and debt	653	538
Other loans and financial liabilities	0	0
Supplier accounts payable and related	38 989	87 651
Tax and social security liabilities	40 898	43 871
Debts on fixed assets and related accounts	583	1 195
Other liabilities	8 652	13 732

NOTE 15 PREPAID INCOME AND EXPENSES

		31.12.2018
in thousands of euros	Expenses	Income
Operating expenses/income	3 385	11 690
Financial expenses/income	0	0
Non-recurring expenses/income	0	0
TOTAL	3 385	11 690

NOTE 16 TRANSLATION DIFFERENCES ON FOREIGN CURRENCY PAYABLES AND RECEIVABLES

		31.12.2018
in thousands of euros	Asset differences [(1)]	Liability differences
Loans and financial liabilities	8 244	4 746
Financial Instruments	68	1 343
Accounts receivable	1 896	93
Accounts payable	2	129
TOTAL	**10 210**	**6 311**

[(1)] Offset by a risk provision of €8 798 thousand.

NOTE 17 REVALUATION DIFFERENCES

in thousands of euros	31.12.2017	31.12.2018
ASSETS		
Land	354	354
Share investments	554	554
TOTAL	**908**	**908**
LIABILITIES		
Revaluation reserve (1976)	908	908
Other differences (equity method)	0	17 898
TOTAL	**908**	**18 806**

NOTE 18 BREAKDOWN OF SALES

in thousands of euros	2017	2018
A - BREAKDOWN BY BUSINESS ACTIVITY		
Production (Société Manitou BF)	807 561	943 619
Spare parts trading	141 002	152 554
Equipment trading	216 232	275 123
TOTAL	**1 164 795**	**1 371 296**
B - BREAKDOWN BY MARKET REGION		
France	344 003	376 215
Export	820 792	995 081
TOTAL	**1 164 795**	**1 371 296**

NOTE 19 REVERSALS OF PROVISIONS AND TRANSFERS OF EXPENSES

	2017	2018
in thousands of euros	Income	Income
Reversal of provision for risks	7 118	6 876
Reversal of impairment on tangible assets	0	0
Reversal of provision for impairment of current assets	6 174	3 403
Transfer of operating expenses *	4 519	4 729
TOTAL	**17 811**	**15 008**

** The transfer of expenses item mainly consists of rebilling from central services to the Manitou Italia subsidiary for €2 011 thousand and to the Manitou Americas subsidiary for €560 thousand, as well as the rebilling of various expenses.*

NOTE 20 FINANCIAL RESULT

NOTE 20.1. FINANCIAL INCOME

	2017	2018
in thousands of euros	Income	Income
Income from securities	14 162	26 865
Exchange gains	20 984	25 877
Reversal of impairment provision on securities [1]	22	10 375
Other income	2 921	5 067
TOTAL	**38 089**	**68 184**

[1] The use of the equity method for equity investments resulted in an increase for impairment of securities of €10 375 thousand, thus allocating the total amount of the provision set aside at 31 December 2017. As a reminder, 2017 had given rise to a provision of €8 640 thousand.

NOTE 20.2. FINANCIAL EXPENSES

	2017	2018
in thousands of euros	Expenses	Expenses
Loan interest	2 491	2 487
Exchange losses	20 647	28 418
Increases in impairment on securities [1]	8 640	1 051
Other expenses	2 341	4 037
TOTAL	**34 119**	**35 993**

[1] In anticipation of the assignment of its shares held in its Chinese subsidiary, Hangzhou Manitou Machinery Equipment, a provision for impairment of securities was recognised in the 2018 financial statements for €1 051 thousand.
This assignment should take place in 2019.

NOTE 21 NON-RECURRING INCOME/EXPENSES

NOTE 21.1. NON-RECURRING INCOME

	2017	2018
in thousands of euros	Income	Income
Income from the disposal of tangible assets	346	75
Income from the disposal of financial assets	0	138
Reversals of special depreciation allowances	2 441	1 604
Reversal of provision for risks	0	23
Miscellaneous	572	719
TOTAL	**3 359**	**2 559**

NOTE 21.2. NON-RECURRING EXPENSES

	2017	2018
in thousands of euros	Expenses	Expenses
Net expenses on disposals of tangible assets	132	35
Net expenses on disposals of financial assets	0	788
Special depreciation allowances and extraordinary depreciation	985	215
Miscellaneous	355	634
TOTAL	**1 472**	**1 672**

NOTE 22 TAX

NOTE 22.1. BREAKDOWN OF INCOME TAX

in thousands of euros	Income before tax	Income taxes	Income after tax
Recurring income	85 543	18 199	67 344
Non-recurring income/expenses	897	309	588
Share investment	-1 272		-1 272
Tax credits [1]		-2 211	2 211
Income from taxes from tax consolidation [2]		-488	488
NET INCOME	**85 168**	**15 809**	**69 359**

[1] Tax credits for research and apprenticeships.

[2] Tax income from the Manitou Global Services subsidiary.

NOTE 22.2. RESEARCH TAX CREDIT

The research tax credit amount recognised for 2018 was €2 206 thousand.

NOTE 22.3. INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITIES

	2018	
in thousands of euros	Basis	Amount
NATURE OF TEMPORARY DIFFERENCES		
INCREASES		
Regulated provisions at 31.12.2018	7 785	
Other tax differences		
TOTAL	**7 785**	
INCREASES IN FUTURE TAX LIABILITIES		**2 681**
REDUCTIONS		
Provisions non-deductible in the year of recognition	9 080	
TOTAL	**9 080**	
REDUCTIONS IN FUTURE TAX LIABILITIES		**3 127**

NOTE 22.4. IMPACT OF TAX DIFFERENCES

in thousands of euros	31.12.2018
INCOME FOR THE PERIOD	**69 359**
Share investment	1 272
Income tax	15 809
INCOME BEFORE TAX	**86 440**
Change in regulated provisions	-1 389
Other tax differences	
INCOME BEFORE TAX EXCLUDING THE IMPACT OF TAX DIFFERENCES	**85 051**

NOTE 23 LEASES

There were no real estate leases outstanding as at 31 December 2018.

NOTE 24 OFF-BALANCE SHEET COMMITMENTS

NOTE 24.1. COMMITMENTS GIVEN

in thousands of euros	31.12.2018
Discounted notes outstanding	0
Sureties, deposits and collateral	7 410
Mortgages	0
Shareholder agreements	1 699
Forward sales of foreign currency	204 320
Currency CAP	62 500
Tunnel	50 000
Equipment repurchase commitments [1]	0

[1] Equipment repurchase commitments valued at contractually defined repurchase amounts.

It should be noted that the market value of this equipment generally exceeds the repurchase value.

NOTE 24.2. COMMITMENTS RECEIVED

in thousands of euros	31.12.2018
Forward purchases of foreign currency	956

NOTE 25 AVERAGE HEADCOUNT

salaried staff	2017	2018
Managers	428	466
Supervisors and technicians	55	57
Employees	490	533
Manual workers	925	1 029
TOTAL	**1 898**	**2 085**

NOTE 26 INFORMATION ON EXECUTIVE COMPENSATION

Total amount of compensation and benefits in kind paid to corporate officers during 2018:

In thousands of euros or number of shares	Salaries	Extra benefits	Stock options granted	Stock options exercised	Other provisions and commitments
Non-executive corporate officers	153	509			
Executive corporate officers		1 080			762

NOTE 27 INFORMATION ON STATUTORY AUDITORS' FEES

The company believes that the nature of the information required under Article 222-8 of the General Regulations and Instruction No. 2006-10 of the AMF (*Autorité des marchés financiers*, the French financial markets authority) and given in the Notes to the consolidated financial statements, complies with the provisions introduced by Decree No. 2008-1487 of 30 December 2008.

NOTE 28 POST-CLOSING EVENTS

None

LIST OF SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2018

As for the valuation of investments in associates, the consolidated financial statements for 2018 were prepared in accordance with IFRS. The values shown in this table were calculated on the basis of those standards.

COMPANIES in thousands of euros or foreign currency	Share Capital	Reserves and retained earnings before appropri-ation of income	% of share capital held	BOOK VALUE OF SHARES HELD Gross	Net	Consolidated using the equity method	Loans and advances granted and out-standing	Amounts of guar-antees provided by the company	Sales excluding taxes	Profit or Loss (-)	Dividends received
I - DETAILED INFORMATION											
A - SUBSIDIARIES (AT LEAST 50% OF THE CAPITAL HELD BY THE COMPANY)											
	EUR	EUR		EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Manitou Global Services	1 320	12 401	100.00%	1 716	1 716	15 672	8 896		10 210	1 330	
LMH Solutions	3 000	-845	100.00%	3 000	3 000	2 089	1 925		10 475	-77	
Manitou Italia	5 000	92 205	100.00%	34 460	34 460	92 297			301 324	19 595	13 000
Manitou Benelux	500	5 474	100.00%	713	713	5 974			152 602	2 926	1980
Manitou Portugal	600	5 182	100.00%	2 963	2 963	5 853			23 646	1 051	1 000
Manitou Deutschland	800	3 074	100.00%	8 712	8 712	3 874			117 683	1 958	1 500
Manitou Manutencion Espana	200	2 226	100.00%	200	200	2 426	4 198		12 407	707	
Manitou Interface & Logistics Europe	2 000	2 232	99.75%	1 995	1 995	3 232	11 308		53 142	264	
Manitou Nordics	242	165	100.00%	244	244	407			1 092	51	
Manitou UK	GBP 230	GBP 11 482	99.42%	598	598	12 037			GBP 176 601	GBP 3 097	2 828
Manitou America Inc.	USD 361 165	USD -150 802	100.00%	278 973	278 973	194 196			USD 0	USD -704	
Manitou Asia	SGD 400	SGD 11 825	100.00%	1 310	1 310	7 841	3 307		SGD 43 397	SGD 797	
Manitou Southern Africa	ZAR 938	ZAR 234 576	74.00%	1 642	1 642	10 589	3 394		ZAR 547 238	ZAR 5 406	
Manitou Middle East	AED 1 000	AED 85	100.00%	212	212	258			AED 3 754	AED 32	
Manitou Australia	AUD 400	AUD 11 637	94.00%	869	869	7 421	430		AUD 78 944	AUD 2 373	1 312
Marpoll Pty Ltd (LiftRite Hire & Sales)	AUD 100	AUD 6 781	50.50%	2 372	2 372	2 062			AUD 21 971	AUD 167	
Manitou China	CNY 59 938	CNY -42 042	100.00%	5 705	5 705	2 272			CNY 21 262	CNY 843	
Manitou Vostok	RUB 338	RUB 575 608	100.00%	5 010	5 010	7 225			RUB 3 232 833	RUB 203 049	342
Manitou Polska	PLN 200	PLN 1 331	100.00%	53	53	356			PLN 5 690	PLN 207	
Manitou South Asia	INR 45 000	INR 80 214	100.00%	637	637	1 570			INR 182 795	INR 33 441	
Manitou Equipment India	INR 1 788 204	INR -1 032 279	100.00%	11 560	11 560	11 869			INR 3 136 155	INR 91 034	
Manitou Brasil Manipulacao de Cargas	BRL 23 123	BRL -30 694	99.96%	6 570	6 570	-2 017	8 309		BRL 37 266	BRL -7 571	
Manitou Malaysia	MYR 6 465	MYR -569	100.00%	1 364	1 364	1 246	264		MYR 7 362	MYR 10	
Manitou Chile	CLP 15 000	CLP 13 231	100.00%	20	20	36	104		CLP 379 156	CLP 27 397	
Manitou Mexico	MXN 5 150	MXN 10	99.00%	221	221	229			MXN 397	MXN 10	

COMPANIES in thousands of euros or foreign currency	Share Capital	Reserves and retained earnings before appropriation of income	% of share capital held	BOOK VALUE OF SHARES HELD Gross	Net	Consolidated using the equity method	Loans and advances granted and outstanding	Amounts of guarantees provided by the company	Sales excluding taxes	Profit or Loss (-)	Dividends received
B - INVESTMENTS IN AFFILIATES (10% TO 50%)											
Manitou Finance France	EUR 4 682	EUR 17 590	49.00%	12 571	12 571				EUR 46 388	EUR 1 833	1 840
Manitou Finance Ltd	GBP 7 270	GBP 5 683	49.00%	4 875	4 875				GBP 6 676	GBP 2 549	3 063
Hangzhou Manitou Machinery Equipment	CNY 27 880	CNY -19 162	50.00%	1 448	397				CNY 11 406	CNY 250	
C - INVESTMENTS IN AFFILIATES (NON-TRADING COMPANIES)											
Cobra MS	20	-14	100.00%	20	20				0	-3	
Manitou Developpement	10	-6	100.00%	10	10	7			0	-3	
I I - GENERAL INFORMATION											
A - SUBSIDIARIES NOT INCLUDED IN PARAGRAPH I	**NONE**										
B - INVESTMENTS IN AFFILIATES NOT INCLUDED IN PARAGRAPH I	**NONE**										
C - INVESTMENTS IN AFFILIATES NOT INCLUDED IN PARAGRAPH I	**NONE**										

INVENTORY OF SECURITIES HELD

COMPANY in number of units or shares or thousands of euros	Type and par value	Currency	Number of units or shares	Original book value	Equity consolidation method value
Manitou Global Services	Shares at 20	EUR	66 000	1 716	15 672
Manitou Finance France	Shares at 1 000	EUR	12 571	12 571	12 571
Manitou UK	Shares at 1	GBP	228 670	598	12 037
Manitou Italia	Shares at 1	EUR	5 000 000	34 460	92 297
Manitou Benelux	Units at 500	EUR	999	713	5 974
Manitou Asia	Shares at 1	SGD	400 000	1 310	7 841
Manitou Portugal	Shares at 5	EUR	120 000	2 963	5 853
Manitou Deutschland	Shares at 800 000	EUR	1	8 712	3 874
Manitou Southern Africa	Units at 1	ZAR	693 750	1 642	10 589
Manitou Finance Ltd.	Units at 1	GBP	3 562 000	4 875	4 875
Manitou America Inc.	Shares at 361 101	USD	1	278 973	194 196
Manitou Australia	Shares at 1	AUD	376 000	869	7 421
Manitou China				5 705	2 272
Manitou Manutencion Espana	Shares at 1	EUR	200 000	200	2 426
Hangzhou Manitou Machinery Equipment				1 448	1 448
Manitou Vostok	Shares at 1	RUB		5 010	7 225
Manitou Polska	Units at 1	PLN	400	53	356
Manitou Interface and Logistics Europe	Shares at 500	EUR	3 990	1 995	3 232
Manitou South Asia	Shares at 10	INR	4 499 999	637	1 570
Manitou Brasil Manipulacao de Cargas	Shares at 1	BRL	14 174 270	6 570	-2 017
Manitou Nordics	Shares at 1	EUR	170 000	244	407
Manitou Middle East	Shares at 1	AED	1 000 000	212	258
Manitou Malaysia	Shares at 1	MYR	6 465 100	1 364	1 246
Manitou Chile	Shares at 1	CLP	15 000 000	20	36
LMH Solutions	Shares at 10	EUR	300 000	3 000	2 089
Manitou India Equipment	Shares at 10	INR	198 820 399	11 560	11 869
Marpoll Pty Ltd (LiftRite Hire & Sales)	Shares at 1	AUD	50 500	2 372	2 062
Manitou Mexico	Shares at 200	MXN	25 493	221	229
Cobra MS	Shares at 100	EUR	100	20	0
Manitou Developpement	Shares at 1	EUR	10 000	10	10
TOTAL				**390 043**	**407 918**

COMPANY FINANCIAL RESULTS FOR THE LAST FIVE YEARS

in euros	2014	2015	2016	2017	2018
I - AS AT YEAR-END					
a) Share capital	39 548 949	39 551 949	39 557 449	39 621 598	39 668 399
b) Number of shares issued	39 548 949	39 551 949	39 557 449	39 621 598	39 668 399
c) Number of convertible bonds					
II - COMPREHENSIVE INCOME FROM ACTUAL OPERATIONS					
a) Sales excluding taxes	881 163 431	875 052 088	950 604 154	1 164 794 691	1 371 296 011
b) Income before taxes, depreciation, amortisation, provisions and employee profit-sharing	32 097 756	63 921 122	64 585 177	77 809 954	99 752 816
c) Income tax	1 168 145	2 442 468	7 061 863	13 167 140	15 808 625
d) Income after taxes, depreciation, amortisation, provisions and employee profit-sharing	44 820 578	60 814 467	54 342 359	38 039 778	69 359 358
e) Total dividends paid	0	13 842 132	14 238 702	17 035 707	24 563 144
III - INCOME PER SHARE FROM OPERATIONS					
a) Income after taxes but before depreciation, amortisation, provisions and employee profit-sharing	0.78	1.55	1.45	1.63	2.12
b) Income after taxes, depreciation, amortisation, provisions and employee profit-sharing	1.13	1.54	1.37	0.96	1.77
c) Dividend paid per share	0	0.36	0.43	0.62	
IV - PERSONNEL					
a) Number of employees	1 789	1 788	1 794	1 898	2 085
b) Total payroll expense	70 426 403	73 349 207	74 417 961	81 367 375	91 504 420
c) Amounts paid for employee benefits	38 172 381	38 410 040	40 879 418	43 272 286	46 745 235

6.4. STATUTORY AUDITORS' REPORTS 2018

6.4.1. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

FOR THE YEAR ENDED 31 DECEMBER 2018

To the annual general meeting of MANITOU BF,

OPINION

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of MANITOU BF for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2018 and of the results of its operations for the year ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Comittee.

BASIS OF OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5[1] of Regulation (EU) No 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

PROVISIONS FOR WARRANTIES AND EQUIPMENT RECALL CAMPAIGNS FOLLOWING QUALITY INCIDENTS

(See Note 11 to the annual financial statements)

Key audit matter

The Company records provisions for warranties and equipment recall campaigns to cover the estimated warranty costs of machines and spare parts, and the costs of overhauling sold equipment and the stock of machines in the event of major or dangerous malfunctions. These provisions, totalling €7 million as at 31 December 2018, are recorded for warranties when machines are sold to networks or end customers, and for recall campaigns when a malfunction is detected. The warranty provision amount covers the contractual provision and its possible extension and is determined using historical statistical data projections. The campaign provision amount is determined using the unit cost of repair applied to the fleet of machines concerned.

We considered the valuation of these provisions to be a key audit matter in the financial statements due to their importance in understanding the financial statements, the complexity of their calculation components (average on warranty costs over the last five years, machine commissioning dates, rate of outsourcing to suppliers, margin rate on spare parts) and their sensitivity to the assumptions adopted by management.

Response as part of our audit

We familiarized ourselves with the provision valuation process.

We tested the key controls set up by management that we consider as most relevant to determine the costs underlying this valuation, and particularly those relating to the various rates used in the estimates.

Our work also consisted in:

- assessing the relevance of the Company's methodology,
- assessing the validity of the assumptions used to determine the warranty provisions, checking all of the data and calculations underlying these assumptions,
- reviewing the calculations on a test basis,
- assessing the judgements made by management and the appropriateness of the disclosures in Notes 11 to the financial statements,
- comparing the accounting estimates of prior periods with the corresponding actual figures.

JCB LITIGATION

(See Notes "highlights of the period" and 11 to the annual financial statements)

Key audit matter

In May 2017, Manitou BF was sued by J.C. Bamford Excavators Limited for infringing two patents, as mentioned in the "Highlights of the year" note to the financial statements. The claims amounted preliminary to €20 million (subject to further evaluation) before the French court.

The legal proceedings for this dispute continued throughout 2018 and JCB increased its request for a provision for France from €20 million to €50 million.

In December 2018, JCB served Manitou BF with a writ of summons for infringement of a third patent, again seeking €50 million as presented in the first proceeding.

Manitou BF considers, on the one hand, that a financial estimate of the risk actually incurred cannot be determined given the evidence at its disposal and the progress of the proceedings, and, on the other hand, that a significant outflow of resources in respect of these claims seems unlikely given the arguments put forward by Manitou BF in its defence. In light of this, no provision was set aside in the financial statements for these claims. The Company only recorded the estimated future legal costs relating to this litigation in its 2018 financial statements, as indicated in Note 11 to the financial statements.

We considered this issue to be a key audit matter given its potential weight on the Company's financial statements and insofar as significant judgment is required at the year-end regarding the uncertain outcome of this litigation in order to estimate the actual risk incurred.

Response as part of our audit

Our work primarily consisted in:

- examining the procedures implemented by the Company to estimate the risk surrounding this litigation;
- familiarising ourselves with the Company's risk analysis,
- assessing the validity of the absence of provisions (excluding the costs of proceeding) in light of the documentation provided by the Company, the documents filed and the written consultations of external advisors;
- assessing the reasonableness of the assumptions used by management to estimate the provision for legal costs;
- verifying the appropriateness of the disclosures relating to this litigation in the notes to the financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code.

INFORMATION RELATING TO CORPORATE GOVERNANCE

We attest that Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

Deloitte & Associés and RSM Ouest were appointed as statutory auditors of MANITOU BF by the annual general meeting held on 28 June 1989.

As at 31 December 2018, Deloitte & Associés and RSM Ouest were in their 29th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

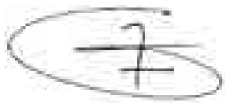
Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822- 10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Orvault and Saint Herblain, 3 April 2019
The Statutory Auditors

French original signed by

RSM Ouest	Deloitte & Associés
Jean-Michel Picaud	Emmanuel Gadret

6.4.2. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a translation into English of the Statutory Auditors' special report on regulated agreements and commitments that was issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2018

To the annual general meeting of Manitou BF,

In our capacity as Statutory Auditors of your Company, we hereby report to you on the regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, and the reasons justifying that these commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments already authorised by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

We hereby inform you that we have not been notified of any following agreements or commitments authorised and signed during the year to be submitted to the approval of the Shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED IN PREVIOUS YEARS HAVING CONTINUING EFFECT DURING THE YEAR

Pursuant to Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments authorised in previous years have had continuing effect during the year.

AGREEMENTS WITH MR MARCEL BRAUD, FOUNDING HONORARY PRESIDENT OF MANITOU GROUP

PAYMENT OF TRAVEL AND ENTERTAINMENT EXPENSES

On 26 April 2017, your Board of Directors authorised an agreement covering the travel and entertainment expenses and resources needed for the performance of Mr Marcel Braud's duties, as Honorary Chairman and Founder of Manitou Group (mainly a company car with chauffeur, broadband, mobile phone and travel expenses), the latter assuming the role of group representative and remaining in contact with Executive Management and the various boards and committees.

As at 31 December 2018, your Company paid corresponding expenses of €49 407.

CURRENT ACCOUNT

Mr. and Mrs. Braud's current account totalled €6 061 740 as of 31 December 2018 (including interest, net of deductions). This account bore interest at 1.47%. The amount of interest assumed by your Company in this respect totalled €88 200 in 2018.

AGREEMENT AND COMMITMENTS UNDERTAKEN FOR MR. MICHEL DENIS, CHIEF EXECUTIVE OFFICER (CEO) SINCE 13 JANUARY 2014, RENEWED IN ADVANCE ON 5 DECEMBER 2017

AUTHORISATION TO EXTEND THE CONTRACT FOR THE SUPPLY OF TWO VEHICLES

On 5 December 2017, your Board of Directors authorised the signing of an amendment to the contract for the supply by GLGM Conseil, of which Mr. Michel Denis is manager, to Manitou BF, of which Mr. Michel Denis is CEO, of two vehicles, one for strictly professional use and one for professional and private use by Mr. Michel Denis, stipulating that the lease amount will be revised annually according to the SYNTEC index prevailing on 1 January of each year.

This agreement was signed on 10 March 2015 for a period of one year and is renewable by tacit agreement, subject to its termination by either of the parties or the termination of Mr. Michel Denis' duties as manager of GLGM Conseil and/or Chief Executive Officer of Manitou BF.

The total monthly budget allocated to the management of the two vehicles is €2 150, including VAT. This price may be revised annually.

As at 31 December 2018, your Company paid corresponding expenses of €19 382.

SEVERANCE PAY RELATING TO THE TERMINATION OF THE CEO'S DUTIES

On 5 December 2017, your Board of Directors authorised the principle by which Mr. Michel Denis would receive severance pay should his 4-year mandate be cancelled before its term or not renewed at the end of its term, unless such cancellation or non-renewal was due to gross negligence.

This authorisation follows on from the early renewal of Mr. Denis' mandate as CEO by the Board of Directors on 5 December 2017. The renewed mandate will begin at the end of the 2018 Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2017.

The amount of severance pay was set at 150% of the total annual fixed and variable compensation payable for the fiscal year preceding that during which the mandate was cancelled or not renewed, should such cancellation or non-renewal occur between 14 June 2018 and 31 December 2019, and at 200% should such cancellation or non-renewal occur between 1 January 2020 and the end of the mandate, provided that the financial criteria that triggers the payment of this compensation has been met. This criteria will be met as soon as the CEO has received, for all fiscal years from 2014 to that preceding the year in which the mandate will expire, a mathematical average at least equal to 35% of the potential maximum amounts of his variable compensation.

NON-COMPETE OBLIGATION RELATING TO THE TERMINATION OF THE CEO'S DUTIES

The CEO shall comply with a non-compete obligation for a period of twelve months following the end of his mandate, regardless of the reasons for the termination of said mandate. In consideration for this obligation, the CEO shall receive a monthly compensation for a period of one year following the effective termination of his mandate, equal to half of his monthly fixed compensation received during the last month preceding the termination of his mandate.

The Board of Directors may release the CEO from the clause in writing, within fifteen days following notification of the mandate's termination, thereby removing the obligation for the company to pay the aforementioned compensation.

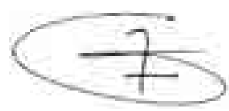
AGREEMENT WITH MRS. JACQUELINE HIMSWORTH, CHAIRMAN OF THE BOARD OF DIRECTORS

CURRENT ACCOUNT

Mrs. Jacqueline Himsworth's current account totalled €275 141 (including interest, net of deductions) as of 31 December 2018. This account bore interest at 1.47%. The amount of interest assumed by your Company in this respect totalled €4 003 in 2018.

Orvault and Saint-Herblain, 3 April 2019
The Statutory Auditors
French original signed by

RSM Ouest	Deloitte & Associés
Jean-Michel Picaud	Emmanuel Gadret

7. NOTES

7.1. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND GENERAL INFORMATION

Michel Denis, President and Chief Executive Officer,

I declare that, having taken all reasonable care to ensure that such is the case, the information contained in this registration document is, to the best of my knowledge, in accordance with the facts and omits no information likely to affect the scope.

I certify, to my knowledge, that the financial statements have been prepared in accordance with the accounting standards applicable and give a true and fair view of the assets, liabilities, financial situation and income of the company and all the companies included in the consolidation and that the management report in section 2 presents an accurate picture of the development of the business, income and financial situation of the company and all the companies included in the consolidation and that it describes the main risks and uncertainties that they face.

I have received a letter from the official auditors saying that they have finished verifying the information concerning the financial situation and the financial statements provided in this document and have read the entire document.

Ancenis, 12 April 2019

Michel Denis,

President and CEO

7.2. DOCUMENTS ACCESSIBLE TO THE PUBLIC

The Registration Document is available at the Company's head office

430, rue de l'Aubinière - BP 10 249

44 158 Ancenis Cedex – France

Telephone +33 (0)2 40 09 10 11

and on the www.manitou-group.com / investor relations website. For the duration that the Registration Document is valid, the following documents can be consulted at the Manitou head office:

- the Company's memorandum and Articles of Association,
- all reports, letters and other documents, historical financial information,
- the historical financial information of Manitou for each of the two financial years preceding the publication of the Registration Document.

INCORPORATION BY REFERENCE

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following information is included by reference in this Registration Document:

- the 2017 Registration Document registered by the AMF on 3 April 2018, under the reference D.18-0257,
- the 2016 Registration Document registered by the AMF on 17 April 2017, under the reference D.17-0388.

The parties not included in this document are either not applicable to the investor or are covered within the said Registration Document.

7.3. OFFICIAL AUDITORS

7.3.1. STATUTORY AUDITORS

Deloitte & Associés, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Emmanuel Gadret, partner,

1, rue Benjamin Franklin - 44801 Cedex Saint-Herblain

Appointed on 28.06.2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31.12.2018

RSM OUEST, registered member of the Regional Association of Statutory Auditors of Rennes, represented by Jean Michel Picaud, partner,

213, route de Rennes, BP 60277 – 44702 Orvault Cedex

Appointed on 28.06.2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31.12.2018

7.3.2. ALTERNATE STATUTORY AUDITORS

BEAS, represented by Mr Alain Pons, alternate for Deloitte & Associés, registered member of the Regional Association of Statutory Auditors of Versailles,

195 avenue Charles de Gaulle – 92000 Neuilly sur Seine

Appointed on 28 June 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31 December 2018

Jean-Michel Grimonprez, alternate for RSM Ouest, registered member of the Regional Association of Statutory Auditors of Rennes,

Appointed on 28 June 2013

Mandate expires: Shareholders' Meeting called to approve the financial statements for the period ended 31 December 2018

FEES PAID TO THE STATUTORY AUDITORS AND THEIR NETWORK

The fees recorded in 2018 by Manitou BF and its fully consolidated subsidiaries for the assignments entrusted to the college of Statutory Auditors, their respective network and their colleagues, are detailed in Note 24 to the consolidated financial statements.

PERSONS RESPONSIBLE FOR FINANCIAL INFORMATION

Michel Denis, President and Chief Executive Officer

Hervé Rochet, Corporate Secretary

MANITOU

430, rue de l'Aubinière – BP 10 249 – 44158 Ancenis Cedex – France

Telephone +33 (0)2 40 09 10 11

7.4. OTHER INFORMATION ON MANITOU BF

NAME

Manitou BF

HEAD OFFICE

430, rue de l'Aubinière

BP 10 249

44158 Ancenis Cedex – France

Telephone +33 (0)2 40 09 10 11

LEGAL FORM

A French public limited liability company (*société anonyme*) with a Board of Directors, governed by the provisions of the French Commercial Code (*code de commerce*).

LAWS GOVERNING ITS ACTIVITIES

The group designs, assembles and distributes high technology products that meet the standards set by the administrative authorities as well as national and supranational organisations.

DURATION OF THE COMPANY

The company's incorporation was published on 5 February 1954 and the company was registered in the Nantes Trade Register on 23 September 1957. The company's duration was set at ninety-nine years (99) as of 3 June 1980.

COMPANY PURPOSE

(ART. 3 OF THE COMPANY'S ARTICLES OF ASSOCIATION)

The company's purpose in France and in all countries consists of:

All industrial and commercial transactions relating to:

- the operation of all industrial and commercial establishments aimed at the representation, concession, manufacture, purchase, sale, rental, import and export of all construction and lifting equipment, and all agricultural and industrial equipment and the directly or indirectly associated spare parts,
- the creation, acquisition, rental, leasing, installation and operation of any establishments or factories,
- the purchase, acquisition, operation or disposal of any processes or patents related to these activities,
- the direct or indirect participation of the company in any commercial, industrial or financing transactions that may be related to the company purpose, including the creation of new companies, investments in partnerships, mergers, alliances, joint ventures or other transactions,
- and generally, any financial, commercial, industrial, civil, securities or real estate transactions that may be directly or indirectly associated with any of the purposes specified, or any other similar or related purposes.

COMPANY REGISTRATION DETAILS

Trade and Companies Register number and APE (principal activity code):

857 802 508 RCS Nantes – APE (principal activity code) 292 D – NAF (business sub-sector ID) number 2822Z

FINANCIAL PERIOD

The financial period covers twelve months starting on 1 January and ending on 31 December of each year.

STATUTORY DISTRIBUTION OF EARNINGS

Net earnings are composed of the net gains for the financial period recognised in the annual financial statements, after deduction of general expenses and other personnel expenses, any asset amortisation or depreciation charges and any provisions for commercial or industrial risks.

Distributable earnings are composed of the net profit for the year less prior year losses and the amounts retained in reserves in accordance with the law or the articles of association, plus retained earnings.

The Shareholders' Meeting may decide to distribute amounts deducted from the reserves at its disposal, in which case the decision will expressly indicate the reserve items from which the payments are to be deducted.

Except in the case of a capital reduction, no distribution can be made to shareholders if the net assets are, or would become as a result of such a distribution, less than the amount of the paid-in-capital plus reserves whose distribution is prohibited by the law or the articles of association.

VOTING RIGHTS

Excerpt from Article 9 of the Articles of Association, "rights and obligations associated with shares":

"Each share grants the right to one vote at Shareholders' Meetings. In accordance with the option provided by subparagraph 3 of Article L.225-123 of the French Commercial Code, fully paid-up shares that have been registered in a shareholder's name for at least two years shall not benefit from double voting rights".

7.5. CROSS-REFERENCE TABLE IN ACCORDANCE WITH ANNEX I TO COMMISSION REGULATION (EC) NO. 809/2004

7.6. CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT (AFR) AND THE MANAGEMENT REPORT

Headings	Information for	Paragraphs	Pages
STATEMENT BY THE PERSON RESPONSIBLE	**AFR**	**7.1**	**160**
PARENT COMPANY FINANCIAL STATEMENTS	**AFR**	**6.3**	**132**
CONSOLIDATED FINANCIAL STATEMENTS	**AFR**	**6.1**	**92**
STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS	**AFR**	**6.4**	**154**
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	**AFR**	**6.2**	**130**
MANAGEMENT REPORT			
INFORMATION IN RESPECT OF THE BUSINESS OF THE COMPANY AND THE GROUP			
Situation of the company and the group during the past financial year, foreseeable trend and important events since year-end L.232-1 II + V; L.233-26 French Commercial Code		2.1 2.2 2.5.1	18 to 21 22 to 25 28
Business and results of the company and the group by business line L.233-6 French Commercial Code		2.1 2.2	18 to 21 22 to 25
Objective and comprehensive analysis of the business trend, results and financial situation (in particular, the debt situation) of the company and the group L.225-100-1 French Commercial Code	AFR	2.1 2.2	18 to 21 22 to 25
Key financial and, where applicable, non-financial performance indicators of the company and the group L.225-100-1 French Commercial Code	AFR	1.1 1.4	6 12
Main risks and uncertainties of the company and the group L.225-100-1 French Commercial Code	AFR	3.1 3.2 3.3	32 to 35 35 to 39 39 to 40
Internal control and risk management procedures relating to the preparation and processing of the accounting and financial information of the company and the group L.225-100-1 French Commercial Code	AFR	3.5	40 to 41
Objective and hedging policy of the company and the group for transactions for which hedge accounting is used Exposure to price, credit, liquidity and cash risks of the company and the group Use of financial instruments of the company and the group L.225-100-1 French Commercial Code	AFR	3.2 6.1.5 Note 10	35 to 39 108 to 113
Financial risks associated with the effects of climate change and presentation of measures taken to reduce them (low carbon strategy) of the company and the group L.225-100-1 French Commercial Code	AFR	3.3 4.1.1	39 to 40 45 to 47
Research and development activity of the company and the group L.232-1 II + V; L.233-26 French Commercial Code		2.3	26
Branches L.232-1 II + V French Commercial Code		N/A	
LEGAL, FINANCIAL AND TAX INFORMATION OF THE COMPANY			
Breakdown and changes in share ownership structure L.233-13 French Commercial Code		1.1 5.4	6 87 to 89
Name of controlled companies and portion of the company's share capital they hold L.233-13 French Commercial Code		6.1.5 Note 35	129
Significant stakes acquired during the period in companies having their head office on French territory L.233-6 French Commercial Code		N/A	
Cross-shareholdings R.233-19 French Commercial Code		N/A	
Employee share ownership situation L.225-102 French Commercial Code		5.4.5	87
Acquisition and disposal by the company of its own shares (share buyback) L.225-211 French Commercial Code	AFR	5.4	87 to 89
Adjustments to shares giving access to capital in the event of financial operations R.228-91 French Commercial Code		N/A	

Headings	Information for	Paragraphs	Pages
Adjustments to shares giving access to capital and stock options in the event of share buybacks R.228-90 and R. 225-138 French Commercial Code		N/A	
Dividend distributions over the last three years 243 bis CGI (French General Tax Code)		5.4.11	89
Expenses and costs that are not tax deductible 223 quater CGI (French General Tax Code)		2.2.8	25
Injunctions or financial penalties for anti-competitive practices L.464-2 I-5 French Commercial Code		N/A	
Payment deadlines and breakdown of the balance of trade payables L.441-6-1; D.441-4; A 441-2 French Commercial Code		2.2.9	25
Amount of inter-company loans L.511-6 3 bis Comofi (French Monetary and Financial Code)		6.3.4 Note 4	138
INFORMATION ON CORPORATE OFFICERS			
Summary of securities transactions of persons discharging managerial responsibilities and closely associated persons. L.621-18-2 Comofi (French Monetary and Financial Code); 223-26 RG AMF (AMF General Regulations)		5.3	82 to 86
CSR INFORMATION			
Non-Financial Performance Declaration L.225-102-1; R.225-105; R.225-105-1 French Commercial Code		4	42 to 67
DOCUMENTS ATTACHED TO THE MANAGEMENT REPORT			
Table of the company's results for each of the last five years R. 225-102 French Commercial Code		6.3	153
Report on corporate governance L.225-37-2 to L.225-37-5; L.225-68; L.226-10-1 French Commercial Code		5	70 to 89

7.7. GLOSSARY

EXPLANATION OF THE REPORTING LINES

NET SALES

Net sales mainly consist of the sales of new handling equipment assembled within the group or acquired from third parties, spare parts and attachments, equipment rentals, equipment fleet management services and other miscellaneous services.

COST OF SALES

The cost of sales is made up of the cost of goods and services sold, which comprises the cost of raw materials and components, labour directly attributable to the goods or services, and all related production and logistics operating costs. It also includes the amortisation of intangible assets, equipment and materials allocated to production, contractual warranty costs, provisions for inventory impairment, and exchange gains and losses on operating income in foreign currency resulting from the difference between the valuation at the exchange rate on the day of the transaction and the rate on the day of settlement.

GROSS MARGIN

The gross margin on the cost of sales is the difference between sales and the cost of sales.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs consist of personnel costs for staff assigned to innovation, development, design, prototyping and product improvements. The businesses frequently use external services as well as dedicated equipment and materials for which depreciation is charged to the function.

Research and development costs that meet feasibility and innovation criteria can be capitalised as intangible assets and subsequently amortised as cost of sales. Expenses not meeting the criteria for capitalisation are recognised directly as expenses.

SALES AND MARKETING COSTS

Sales costs consist primarily of personnel and associated costs allocated to business development assignments, coordination of dealer networks, and marketing and technical expenses. This line item also includes sales commissions, advertising costs, trade shows, credit insurance expenses, the cost of sales warranties, travel expenses and the depreciation of associated infrastructure.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of personnel expenses and costs associated with the support functions (human resources, finance, general secretariat, etc.). They also include depreciation of the infrastructure associated with these functions.

EXPENSES & INCOME ON NON-RECURRING ITEMS

Non-recurring expenses and income include the following items:

- the recognition of impairment,
- income from significant or unusual disposals of tangible and intangible assets,
- acquisition and consolidation expenses,
- income relating to "Badwill",
- income from disposals of consolidated securities,
- restructuring costs,
- unusual items corresponding to other income and expenses which are not usual in terms of their frequency, nature and amount.

OPERATING INCOME OR OPERATING MARGIN

Operating income, also referred to as operating margin in this document, includes all the recurring and non-recurring items described above.

OPERATING INCOME INCLUDING NET INCOME FROM EQUITY ASSOCIATES

The "Operating income including net income from equity associates" aggregate line item includes the proportionate share of income from associate companies in the operating income.

FINANCIAL INDICATORS & OTHER DEFINITIONS

AT CONSTANT SCOPE AND EXCHANGE RATE

The foreign exchange effect is calculated by applying the exchange rate for the previous period to the revenue for the current period.

The scope effect is calculated by:

- excluding the revenue, for the current period, of the companies acquired during the period,
- excluding the revenue, from 1 January of the current period to the anniversary month of their acquisition, of the companies acquired during the previous period,
- excluding the revenue, for the current period and the comparable period, of the companies sold during the current period or the comparable period.

For 2018:

- the companies acquired in 2017 (Manitou Equipment India in May 2017 and LiftRite at the end of July 2017), deduction of their contribution, from 1 January of the current period to the anniversary month of their acquisition. No companies were acquired and there were no departing companies for the 2018 financial year,
- application of IAS 18 "Revenue" to the aggregate line items of the current period,
- application of the exchange rate for the 2017 financial year.

AT CONSTANT STANDARD

The constant standard impact is calculated by applying the accounting standards applicable during the previous financial year to the current period.

In 2018: application of IAS 18 for the aggregated items of the current financial year.

NET DEBT

Net debt corresponds to the difference between current and non-current financial liabilities on the one hand and on the other hand, current financial assets and cash and cash equivalents.

EBITDA

Operating income +/- provisions - reversals of amortisation and impairment losses.

RECURRING EBITDA

Operating income - income and expenditure on non-recurring items +/- provisions - reversals of amortisation and impairment losses.

GEARING

Ratio of net debt divided by the amount of shareholders' equity.

LEVERAGE

Ratio determined by dividing the amount of net debt at the end of the period by rolling 12-month EBITDA. This measures the amount of the debt in number of years of EBITDA.

OPERATING WORKING CAPITAL REQUIREMENT

Inventory and work in progress + trade receivables + other debtors - trade accounts payable - other current liabilities.

Operating working capital requirement excludes sales financing receivables, which do not change in proportion to the operating activity.

RETURN ON CAPITAL EMPLOYED (ROCE)

Indicator calculated from the ratio of the recurring operating income to the capital employed.

EVENT OF DEFAULT

Actual occurrence of credit risk such as, for example, the bankruptcy of the reference entity, payment default, or restructuring.

MATERIAL ADVERSE CHANGE

Any action, omission or event that, taken in isolation or with others, has a significantly unfavourable effect on the assets, liabilities, financial situation or operating result of the borrowing company and its subsidiaries taken as a whole or the borrower taken individually.

NEGATIVE PLEDGE

Provision that forbids a party to a contract from creating sureties on certain specific goods.

CROSS DEFAULT

Safeguard clause, which provides that if the company defaults on a loan, all the facilities included in the cross default clause are considered as being in default. A trip threshold is generally established.

ORDER BOOK

All customer orders received but not yet delivered.

OEM

An Original Equipment Manufacturer (OEM) is a manufacturer of handling machinery, from which the group acquires products that it then distributes under its own brand.

MANITOU
GROUP

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