



## 2008 earnings adversely affected by the financial crisis and by exceptional factors

At its meeting of 30 March 2009, chaired by Mr Marcel BRAUD, the Supervisory Board examined the 2008<sup>(1)</sup> consolidated financial statements. These consolidated financial statements will be submitted to the General Meeting of Shareholders that will be held at the company's registered office at Ancenis on 4 June 2009.

### Significant events

2008 was marked by a downturn in the building market at the end of the first quarter, which spread rapidly to all the main countries in Europe during the year. The year also featured a drastic deterioration in economic conditions in the last quarter due to a wide-scale liquidity crisis.

This situation, which occurred while MANITOU was in the process of finalising a friendly takeover<sup>(2)</sup> of the US company GEHL, for €235 million, had a very adverse effect on the Group's 2008 results.

### Key figures<sup>(1)</sup>

<i>In € million (IFRS)</i>	2007	2008 at same scope	% change	2008 <sup>(3)</sup> inclu- ding GEHL	% change <sup>(3)</sup>
Net sales	1 260	1 258	-0.2%	1 278	+1.4%
EBITDA	151	133	-12.0%	128	-15.7%
Operating profit before goodwill impairment	131	103	-21.4%	97	-26.3%
As a % of net sales	10.4	8.2		7.6	
Consolidated net profit after tax and before goodwill impairment	86	62	-27.9%	56	-35.2 %
As a % of net sales	6.8	4.9		4.4	
Consolidated net profit after goodwill impairment	86	62	-27.9%	4	-95.2%
Net bank debt	(77)	183	n.s.	266 <sup>(4)</sup>	n.s.

<sup>(1)</sup> The Board has not yet completed its report as the independent auditors have not finished their audit.

<sup>(2)</sup> Launched on 8 September 2008 just before the collapse of LEHMAN BROTHERS.

<sup>(3)</sup> Including GEHL from 1 November 2008.

<sup>(4)</sup> The Group's net debt, including the GEHL securitisation programmes, totalled €478 million.

## 2008 earnings

- Net sales for the year, which for the first time included GEHL as from 1 November 2008, came to €1 278 million, corresponding to an increase of 1.4%. GEHL's contribution to sales over two months came to €20 million, which only partly offset the €24 million negative impact, in 2008, of changes in exchange rates. The sharp downturn in business in the fourth quarter reversed the positive trend in sales, which had recorded growth of +6.6% at end-September.

The stable level of sales achieved by MANITOU in a sharply contracting market reflects a gain in market share at world level in 2008 and confirms the Group's solid business model and exceptional position in the rough-terrain materials handling sector.

- Operating profit before goodwill impairment came to €97 million, corresponding to a gross margin of 7.6%. After a satisfactory first half, which had enabled the Group to achieve a margin of 10.5% with €76 million, in line with the 2007 level, the operating margin for the second half of the year was strongly affected by the downturn in business in the fourth quarter and by the negative contribution made by the recently acquired company, GEHL.
- Net financial charges came to €8.5 million. The strong increase is attributable to the debt linked to the acquisition of GEHL and to exceptional expenses<sup>(5)</sup> linked to currency hedges (€2.5 million) aimed at reducing the cost of the acquisition.
- Net profit before goodwill impairment decreased by 35.2% to €56 million, corresponding to earnings per share of €1.47 compared with €2.28 the previous year.
- After €52 million of goodwill impairment<sup>(5)</sup> in respect of GEHL, the Group's net profit came to €4 million in 2008.

## Financial structure

- The Group's financial structure is solid with shareholders' equity of €469 million after goodwill impairment, corresponding to gearing of 1 at 31 December 2008.
- Due to the impact of the crisis on the Group's financial statements for the year ended 31 December 2008, MANITOU will no longer comply with the ratios provided for in its bank documentation. Moreover, GEHL does not comply with some of its financing clauses, which led the banking pool, on 31 March, to demand early repayment of the financing<sup>(6)</sup>. This could lead GEHL to seek bankruptcy protection under Chapter 11 US bankruptcy law, although this is by no means certain or automatic as no surety is attached to this financing. In these circumstances and in view of the negative earnings outlook for 2009, the Group is pursuing discussions with its banking partners in the United States and Europe with the aim of securing the financing of GEHL while continuing to contain the risk in the United States.

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<sup>(5)</sup> Exceptional and non-recurring expenses in 2008 relate to goodwill impairment (€52 million) and the cost of the currency hedges put in place on the acquisition of GEHL's shares (€2.5 million).

<sup>(6)</sup> The amount drawn down on this financing is around €90 million.

## **Outlook for 2009**

- The low level of investment in capital goods and sharp deterioration in economic conditions over the past nine months could continue throughout 2009. Under these circumstances, MANITOU is expecting a drop in consolidated sales including GEHL in 2009. The fall relative to 2008 could reach 40%, which would result in an operating loss for the year.
- In response to these exceptional conditions, the Group has established and rolled out a strategy plan (Plan Performance 2011) which should enable it to weather the crisis and should preserve its capacity to finance its business when the recovery occurs. The implementation of this plan, whose cost is estimated at €20 million for 2009, will improve cash-flow generation and reduce net debt by close to €150 million by the end of 2009. The plan is based on a significant lowering of the breakeven point by adapting operating costs and general overheads, and by reducing staff levels at all entities (around 650 jobs worldwide out of a total workforce of 3,300 at end-2008).
- For reasons of prudence, MANITOU has already mobilised a significant portion of its credit lines so as to substantially increase available cash and avoid exposure to any risk of insufficient liquidity in the medium term.

## **2008 dividend**

With the aim of preserving the Group's financial and development capacity, the Executive Committee and Supervisory Board have decided to ask the General Meeting to waive payment of a dividend in respect of 2008.

### **Forthcoming events**

27 April 2009: Release of Q1 2009 sales

4 June 2009: General Meeting of Shareholders

### **Further information is available at**

[www.manitou.com](http://www.manitou.com)

### **Listing**

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Reuter: MANP.PA . Bloomberg: MTU.FP

Indices: SBF 250, NEXT 150, MIDCAC 100