MANITOU

FY'09 Earnings : Manitou moves on !

- 2009 revenue down 54% vs. 2008 (proforma with Gehl)
- Operating loss of -€146m of which -€65m of one-off items
- Net debt divided by two and gearing of 73%
- Gehl stabilizing from a management and financing perspective
- Technical uptick in Q1 order intake with consequences on direct manpower and supply chain
- FY 2010 outlook confirmed with 10% revenue growth and EBITDA breakeven

Jean-Christophe Giroux, Manitou President & Chief Executive Officer, declared: *"2009 has been an unprecedented year for our industry and for Manitou, with the revenue divided by two and the production by four. Our financial performance therefore reflects a severe operational underactivity, across all product divisions, and related one-off charges for more than €65m. But at the same time, we have repaid half of our net debt in 12 months only, we are one year ahead of our repayment schedule and our gearing stands at 73%. We have reduced our headcount by 21% and lowered our breakeven point by 25% while successfully sustaining our operational assets and talent base. Our dealer networks are weathering the storm and already shifting to new business opportunities. Even if the conditions for a real rebound remains hard to read, we now enter a new phase with a leaner organization, intact leadership and revived ambitions for our business, networks and customers."*

€ in millions	**RTH**	**IMH**	**CE**	**Conso 2009**	**Conso 2008***	**Variance**
Revenue	485.2	123.8	75.1	**684.1**	1277,7	(46%)
Gross margin	151.1	39.2	1.8	**192.2**	403,5	(52%)
Gross margin %	*31.1%*	*31.7%*	*2.5%*	***28.1%***	*31,6%*	
Recurring EBITDA	2.2	3.9	(42.0)	**(35.9)**	132,0	
Recurring OP	(18.7)	(3.7)	(58.7)	**(81.1)**	96,7	
OP	(28.5)	(7.8)	(109.6)	**(145.9)**	45,0	
Net Income	na	na	na	**(131.3)**	4,1	
Net Debt				**243,2**	478,5	(49%)
Net Equity				**334,3**	469,1	(29%)
Gearing (%)				***73%***	*102%*	
Working Capital				**271,8**	506,4	(46%)

** with Gehl consolidated only for 2 months*

With a revenue of €485m in 2009 vs. €1,033m in 2008, the **Rough Terrain Handling (RTH)** Division saw its activity reduced by -53% but maintained its market share. Construction has been very weak over the year (especially rental firms), while Agriculture showed a relative resistance in H1 and a serious setback in H2. In this challenging environment, RTH was successful in maintaining intact margins despite strong destocking efforts. RTH also adapted its cost base thanks to voluntary departure plans in France in July.
The **Industrial Material Handling (IMH)** Division posted revenue of €124m vs. €224m ie -45%. IMH better-than-average performance came from Manitou-made forklift trucks, warehousing and service & parts activities. Distribution (35% of product revenue) in particular helped cushion manufacturing underactivity, and notably featured the renewal for 3 years of the Toyota distributorship agreement in France. Recently, IMH was awarded the PSA-Aulnay full outsourcing over a 5-year period.
With a revenue of €75m in 2009 vs. €223m in 2008 (proforma), the **Compact Equipment (CE)** Division suffered from a -66% decline, especially in the US where business with rental firms came to an almost complete standstill. Activities with dealers focused on destocking aged inventories still in floor plan, with discounts that substantially affected the gross margin (normalized at 20%). Gehl was very successful in timely adjusting its structure, with headcount down -37% on a FTE basis. However, very low volumes translated into poor operating performance and also a €50m impairment charge already booked in H1.
As announced earlier, Gehl today adopts a leaner management structure, with Dan Miller stepping up as President and Serge Bosché as Vice President, Sales & Marketing. Gehl is also progressing well with its US banking pool to stabilize its financing situation, with a conclusion now expected within a few weeks.

2010 Outlook

Order intake to date has been stronger than expected, and increases the tension in the operational chain, with suppliers under constraint and Manitou hiring temps again to deliver on those orders. At the same time, this level is not believed to be resilient, resulting more in adjustments from 2009 than true end-market pick-up. Applications markets remain globally very weak, with agriculture further deteriorating and construction/rental still low. In this context, Manitou still forecasts a mid-to-high single digit growth over 2009, and expects to be breaking even at EBITDA level, with RTH and IMH back in the black, and CE posting a strong improvement over the 2009 trough.

Forthcoming events
30 April 2010: Q1'10 Revenue
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